

SAVING THE BALTIC SEA – VOLUNTARY ENVIRONMENTAL COMMITMENT AS A DRIVER FOR SUSTAINABILITY IN COMPANY’S SUPPLY CHAIN

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Abstract

This research concentrates on understanding the phenomenon of voluntary environmental commitments from the company perspective. The aim of the research is to find out how strategic voluntary environmental commitments are perceived in companies, and do they influence sustainability of the supply chains. Hence, this study contributes to the literatures on strategic CSR and sustainable supply chain management, aiming to unravel the strategic nature of the voluntary environmental commitments, as well as the impact that these commitments have on the sustainability of the supply chain.

This research is a part of a bigger study conducted at the Aalto University School of Business. The research is done in the context of commitments made to preserve the Baltic Sea through a collaboration with Baltic Sea Action Group, a local non-profit. Focusing on two case companies in food and beverage industry, this research follows a qualitative approach. Semi-structured interviews were conducted with altogether 10 people from the case companies, non-profit and an external company providing expert knowledge on the context of agriculture. The data was analyzed using a thematic analysis method to uncover the different perceptions that the interviewees have on subject.

The main findings propose that commitments are perceived as strategically significant, if they are found as central to business and they offer help in meeting consumer expectations. The commitments should also provide companies an opportunity for shared value creation. Moreover, the strategic significance is dependent on companies' internal will to develop by making the commitment, and here individuals can have a significant role. Overall, the commitments offer help in defining sustainability issues in agriculture by providing knowledge, raising internal awareness and helping companies to develop new capabilities. The commitments act as a platform for collaboration, making the development of sustainable practices easier amongst different parties.

As such, my findings suggest that voluntary environmental commitments can be seen as drivers enhancing the development of supply chain practices into more sustainable direction. They offer a desirable alternative for outdated regulation in the context of agriculture, and provide a potential way for enhancing the sustainability of the supply chains in collaboration with different parties.

Keywords voluntary environmental commitment, strategic CSR, creating shared value, sustainable supply chain management, collaboration, sustainable agriculture, Baltic Sea

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Tiivistelmä

Tämä tutkimus keskittyy ymmärtämään vapaaehtoisia ympäristösitoumuksia yritysten näkökulmasta. Tutkimuksen tarkoituksena on selvittää miten strategisina yritykset pitävät vapaaehtoisia ympäristösitoumuksia sekä onko sitoumuksilla vaikutusta vastuullisuuden lisäämiseen yritysten toimitusketjuissa. Täten tutkimus linkittyy osaksi isompia teoreettisia keskusteluja ympäristövastuullisuuden strategisuudesta sekä toimitusketjujen vastuullisuudesta.

Työ on osa isompaa Aalto-yliopiston kauppakorkeakoulussa käynnissä olevaa tutkimushanketta. Tutkimus keskittyy paikallisen kansalaisjärjestön Baltic Sea Action Groupin luomaan sitoumuskonseptiin, minkä puitteissa yritykset ovat sitoutuneet vähentämään Itämeren rehevöitymistä konkreettisilla toimilla liiketoiminnassaan. Tämä laadullinen tutkimus on toteutettu haastatteleamalla yhteensä 10 ihmistä kahdesta ruoka- ja juomateollisuudessa toimivasta case-yrityksestä, kansalaisjärjestöstä sekä yhdestä ulkopuolisesta maatalouden asiantuntijafirmasta. Haastatteluiden analysoimisessa on hyödynnetty temaattista analyysia.

Tutkimuksen päälöydökset esittävät sitoumusten olevan strategisia, jos ne ovat keskeisiä yrityksen liiketoiminnalle sekä auttavat vastaamaan kuluttajien luomiin paineisiin. Sitoumuksien tulee ennen kaikkea mahdollistaa yrityksille jaetun arvon luominen. Tämän lisäksi sitoumuksien strategisuus riippuu yrityksen sisäisestä halusta kehittyä sitoumuksen avulla, sekä yksilöiden roolista tämän halun luomisessa. Sitoumukset tuovat myös apua vastuullisten käytäntöjen määrittelyyn tarjoamalla tietoa ja tukea, kasvattamalla tietoisuutta ongelmista sekä auttamalla yrityksiä kehittämään uusia kyvykkyyskäytäntöjä. Sitoumukset toimivat luonnollisena alustana yhteistyölle tehden vastuullisten käytäntöjen kehittämisen helpommaksi eri tahojen välillä.

Vapaaehtoiset ympäristösitoumukset voidaan nähdä yritysten toimitusketjujen vastuullisuutta lisäävinä kirittäjinä. Sitoumukset tarjoavat vaihtoehdon vanhentuneelle maatalouslainsäädännölle luoden uuden tavan edistää toimitusketjujen vastuullisuutta yhteistyössä eri tahojen kanssa.

Avainsanat vapaaehtoinen ympäristösitoumus, strateginen yritysvastuu, jaetun arvon luominen, vastuullinen toimitusketjujen hallinta, yhteistyö, vastuullinen maanviljely, Itämeri

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1. Introduction

This chapter concentrates on explaining the background of voluntary environmental commitments and their role in preserving the Baltic Sea, as well as laying the theoretical foundations by defining the scope of the research. At the end of this chapter, the objectives of this research are clarified into the form of research questions.

1.1. Background

“We sat talking on a rock. The air was filled with the tang of seaweed and of something else that could only have been the ocean smell. I felt so happy that I wasn’t even afraid it wouldn’t last.”

- Tove Jansson

Unfortunately, many severe issues are not taken seriously until it is too late. Baltic Sea is under tremendous threat, and it is constantly listed as one of the most polluted seas of the world (Helsinki Commission, 2018). Its problems are various – from hazardous substances to eutrophication (enrichment of water by nutrients, mainly nitrogen and phosphorus) fostered by the agriculture – and even though measures are constantly taken to preserve the Baltic Sea, the marine ecosystem recovers slowly, and therefore the changes in agriculture practices will not be visible in the Baltic Sea right away (Helsinki Commission, 2018). According to the Finnish Meteorological Institute (2017), sustainable farming practices can in the future help in storing carbon into the soil, hence diminishing its amount in the atmosphere. In addition to this, sustainable agriculture practices might have even bigger role in the future in combating the climate change through sequestration of carbon. Hence, the role of sustainability in agriculture practices will only increase in the future.

However, the changes in agriculture practices take time and effort, and public policies do not change in a heartbeat. Tackling this kind of complex, worldwide issues calls for new forms of collaboration that involve companies, farmers, and non-profits, who have expertise on the area. One such form of collaboration is the Sustainable Development Goals (SDGs), which could be categorized as ‘soft commitments’ that encourage for protecting the planet through partnerships and pragmatism as one of its main goals. Out of the 17 SDGs, especially the SDG 12 of Responsible consumption and production, and SDG 14 of Life below water

are relevant, when thinking about sustainable agriculture and preserving the Baltic Sea. These SDGs aim to encourage companies to adopt sustainable practices, promote public procurement practices that are sustainable in accordance with national policies and priorities, as well as prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities such as farming (United Nations, 2018).

Similar forms of collaboration have been created both internationally and nationally, and these kinds of commitments have become more common in the recent years (see Lyytimäki et al., 2017). One such a commitment concept was initiated by the Baltic Sea Action Group (BSAG), encouraging companies and governments to commit to change their practices into more environmentally sustainable direction by doing something that will have a positive impact on the Baltic Sea. Since 2010, over 270 commitments have been made to preserve the Baltic Sea. At best, these commitments have encouraged companies to consider their businesses' impacts on the Baltic Sea and reduce the detrimental effects on the marine ecosystem. These kinds of commitments help in solving some of the most complex environmental problems of today, but we still lack information on their nature and actual impacts on companies' strategies and supply chains. Hence, the motivation of this study rises from understanding the concept of voluntary environmental commitment from the company perspective, and therefore recognizing companies' role in tackling big, environmental problems. Maybe, there is still time to save our planet.

1.2. Research gap

Research on different forms of cross-sectoral collaboration on environmental issues has been done to a great extent, especially in the stakeholder and networks literatures (see e.g. Ritvala and Salmi, 2011; Patala et al., 2014). However, the focus is often on the reasons and characteristics influencing companies' decisions to participate in different voluntary environmental commitments or programs (see e.g. Howard-Grenville et al., 2008), while the actual influences of these environmental commitments remain untouched. In some occasions, voluntary environmental commitments are seen as a form of policy tools, and their impacts are evaluated compared to regular environmental policy (see e.g. Koehler, 2007), leaving the impacts on company's strategy and practice unraveled. In order to understand if these commitments actually have an impact, it remains to be studied whether companies find these commitments relevant for their business. This calls for more research

on the actual impacts that these environmental commitments have as a form of collaboration on practice, as well as their strategic nature from the company perspective.

The theoretical justifications of this research are twofold. Firstly, the aim is to achieve better understanding on the strategic nature of the environmental commitments. This will contribute to the literature on strategic CSR by unraveling how strategic these voluntary environmental commitments are perceived in companies. Secondly, this research aims to shed light on how voluntary environmental commitments may enhance sustainable practices in companies' supply chains. The focus is on sustainable supply chain management literature, and more specifically on the organizational learning enhanced through different forms of collaboration. Even though sustainability in supply chain management has been studied to a great extent, as well as organizational learning and collaboration in supply chains, the goal in the latter is often on gaining competitive advantage (Opengart, 2013), instead of sustainability of the supply chain. Hence, better understanding on this collaboration's impacts on sustainability of the supply chains is needed.

1.3. Research objectives and questions

This research aims to increase understanding on the strategic nature of voluntary environmental commitments, and their impacts on practice from the company perspective. The motivation of this research lies in shedding light on how voluntary environmental commitments influence the sustainability of companies' supply chain practices.

Hence, the research questions are as follows:

1. How strategic are voluntary environmental commitments perceived in companies?
2. Do voluntary environmental commitments influence on the sustainability of companies' supply chain practices? If yes, how?

1.4. Definitions

Corporate social responsibility (CSR)

No consensus exists on a single definition for CSR (Shum and Yam, 2010). Perhaps one of the most referred sources for definitions of CSR is the European Commission (2018), which defines it as 'the responsibility of enterprises for their impact on society'. Most definitions also acknowledge the triple bottom line, and CSR can also be defined as 'context-specific

organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance' (Aguinis and Glavas, 2011, p.855).

Strategic CSR

McWilliams and Siegel (2011, p.1492) define strategic CSR as 'any responsible activity that allows a firm to achieve sustainable competitive advantage, regardless of motive'. Research on strategic CSR often bares dual intentions, as companies must balance between the economic performance and having a social and environmental impact. This is acknowledged by Ramachandran (2011, p.286), who argues that CSR behaviors can be seen as strategic when they are 'aimed at simultaneously improving a firm's relative cost or price position on the one hand and a social or environmental condition on the other'.

Creating shared value (CSV)

The concept of shared value is based on an idea of 'creating economic value in a way that also creates value for society by addressing its needs and challenges' (Porter and Kramer, 2011, p.4). Creating shared value is a label created by Porter and Kramer (2011), which draws from earlier literature on CSR, stakeholder management and social innovation. Even though the topic has raised increasingly attention, it has also been highly criticized (see e.g. Crane et al., 2014).

Sustainable supply chain management (SSCM)

Carter and Rogers (2008, p.368) define SSCM as 'the strategic, transparent integration and achievement of an organization's social, environmental, and economic goals in the systemic coordination of key interorganizational business processes for improving the long-term economic performance of the individual company and its supply chains'. The definition is commonly used in SSCM literature, and it bares resemblance to many others, as it acknowledges the importance of triple bottom line; the social, environmental and economic aspects of the sustainability (see Elkington, 1998, 2004). Seuring and Müller (2008, p.1700) make this acknowledgement as well by defining SSCM as 'the management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development, i.e.,

economic, environmental, and social, into account which are derived from customer and stakeholder requirements’.

BSAG

BSAG, The Baltic Sea Action Group is a non-profit foundation that fosters collaboration among different private and public actors to find solutions that help restoring the ecological balance of the Baltic Sea. Over 270 companies have designated to help in this objective by making public commitments that have a positive impact on the Baltic Sea.

Eutrophication

Eutrophication is caused by a surplus of the nutrients nitrogen and phosphorus in the marine environment, and it poses a severe threat to the biodiversity of the Baltic Sea. One of the biggest sources of this nutrient surplus is agriculture, as it is responsible for over 70-90% of nitrogen and 60-80% of phosphorus diffuse and almost half of total waterborne inputs to the sea. (Helsinki Commission, 2018).

2. Literature review

This chapter concentrates on shedding light on relevant literatures that help understanding the voluntary environmental commitments as a form of company CSR, as well as their impacts on the sustainability of companies' supply chains. The review is divided into two parts: strategic CSR and sustainability in the supply chain. Strategic CSR literature concentrates on CSR as a strategic phenomenon, widening it also to cover the concept of creating shared value and its meaning for companies. The SSCM literature, on the other hand, is focused around SSCM practices, and the role of the collaboration in enhancing sustainability in the supply chain through organizational learning. This literature review offers a comprehensive view on the current literature on strategic CSR and SSCM, at the end bringing together the relevant theories from these fields of literature.

2.1. Strategic CSR

The next chapter focuses on the corporate social responsibility, especially concentrating on the environmental and strategic aspects of the phenomenon. The concept of CSR was chosen to be used in this first part of the literature review mostly due to its prevalence in the strategic management literature. Even though both CSR and sustainability literature share the same interest towards the relationship between business and society, CSR was created already in the 1950s on the concern of managers' social responsibility towards society, whereas sustainability literature started to rise in the 1980s due to the worries towards the limit of the natural resources (Bansal and Song, 2017). In addition to this, CSR literature is more suitable for analyzing companies' responsibility towards the society and environment, as it is grounded in normative arguments, compared to sustainability literature that has took a systems perspective and concentrates on excess production's implications on business and economic systems (Bansal and Song, 2017). Hence, the first part of the literature review uses CSR as the main concept for explaining companies' social and environmental responsibilities. The aim of this chapter is to provide a comprehensive overview on the development of the concepts, their significance for businesses, and moreover help in understanding the distinctions between CSR and strategic CSR from a company perspective. At the end of the chapter, the concept of CSR is also broadened by presenting the view on creating shared value, and its connection to strategic CSR.

2.1.1. CSR

Bowen's (1953) work on businesses' obligations to society is often referred as the emergence of the concept of CSR (Calabrese et al., 2013; Arena et al., 2018). The concept was further developed by Carroll (1991), who presented a CSR pyramid that divides companies' responsibilities into economic, legal, ethical, and philanthropic issues, and the tool is still widely known in companies and academia (Calabrese et al., 2013). Since the 1990s, the concept has developed a lot, yet still boundaries are missing between different conceptualizations (Arena et al., 2018). Overall, the literature on CSR is highly fragmented between scholars (Aguinis and Glavas, 2012), depending on whether the appreciation of the shareholder or stakeholder demands is the primary purpose of the company (Orlitzky et al., 2011; Calabrese et al., 2013). Scholars following Friedman's (1970) lead believe that profitability and maximizing the shareholder wealth is the only social responsibility that a company has. They claim that CSR is a constraint to the business and that ultimately it just prevents companies from maximizing profits (Henderson, 2005).

However, nowadays most scholars are highlighting the importance of stakeholders to company CSR, which can be seen for example from the amount of research using institutional theory as a basis for interpreting the rise of CSR due to the society's pressures (see e.g. Arena et al., 2018). This is especially true, as stakeholders are putting growing pressure on companies, constantly pushing them to meet the various social and economic demands (Orlitzky et al., 2011). Especially, the consumer expectations to act socially responsibly are rising, as managers are put under high pressure to produce socially responsible goods (McWilliams and Siegel, 2011). Overall, different stakeholders are increasingly pressuring companies to assess social problems in their business (Ramachandran, 2011). Concentrating merely on one's own business is no more enough, and the impacts that different operations have on the environment and people should be taken into account in every business decision.

However, CSR practices do not come for free, and companies more often have to balance between social problems and profitable business (Ramachandran, 2011). Company's CSR is also not only dependent on the stakeholders' and shareholders' expectations, but other internal and external factors have an impact on the CSR practices as well. Previous research on reasons for companies' responsible behavior is extensive (see e.g. Babiak and

Trendafilova, 2011; Aguinis and Glavas, 2012; Pistoni et al., 2016). Factors influencing companies' socially responsible behavior are for example the characteristics of the industry in which the company operates, the national business system, the legislative framework, and company's ownership structure and governance (Pistoni et al., 2016), as well as ethical corporate culture and top management commitment (Yin, 2017). Aguinis and Glavas (2012) recognize also company's instrumental and normative motives, mission and values and CSR awareness as predictors of CSR in their comprehensive literature review. Hence, a variety of factors have an impact on whether a company sees CSR as an opportunity or a threat. However, understanding how complex concepts, such as CSR, are perceived in a company is never simple. More effective CSR strategies require that companies can separate the contextual factors, environmental expectations of different stakeholders, and the characteristics of the CSR activities they may pursue (Arena et al., 2018).

2.1.2. Environmental CSR

As this research focuses on environmental commitments as a form of company CSR, it is also vital to go through the relevant literature on the concept of environmental CSR. Several definitions including the environmental dimension of CSR exist, even though environmental CSR is often separated from corporate social responsibility to its own entity, corporate environmental responsibility (Dahlsrud, 2008). Corporate environmental responsibility (CER) can be defined as 'practices that benefit the environment (or mitigate the adverse impact of business on the environment) that will go beyond those that companies are legally obliged to carry out' (Gunningham, 2009, p.215). This definition highlights companies' will to act towards a greater good, without addressing the pressures for financial performance. However, the emphasis of the financial performance has been dominant in the past literature, even though the focus has moved from blindly caring only about profits to favoring win-win –situations, where environmental preservation can be combined to economic performance (Gunningham, 2009).

Institutional and stakeholder theories are often present in research on environmental CSR as well (see e.g. Cordeiro and Tewari, 2015; O'Connor and Gronewold, 2012). The stakeholder expectations covered in the previous chapter are often focused on companies' CSR practices related to the environmental dimension of CSR, and environment is often referred as a critical concern of the stakeholders (Kassinis and Vafeas, 2006). Hence, companies are more

often concentrated on reducing their negative impacts on environment, and overall paying attention to the environmental impacts of their business (Sarkar, 2008). Companies' contribution to environment is often seen as improving environmental impacts without sacrificing financial performance (Williamson, 2006). However, companies' reasons for practicing environmental CSR are often driven by other motives than a mere increase in financial performance (Babiak and Trendafilova, 2011). Besides the drivers more related to the financial performance, also other drivers for environmental CSR, such as government legislation and incentive policies, protecting reputation and brand and responding to environmental threat, exist (Dummet, 2006).

Overall, literature on environmental CSR identifies rather similar drivers that were recognized in the case of CSR. However, some argue that understanding the drivers of environmental behavior is still partly undeveloped (Babiak and Trendafilova, 2011), even though it is also constantly becoming more strategic, as companies' motives for practicing environmental CSR are under change (Vidaver-Choen and Simcic Bronn, 2008). Gunningham (2009) argues as well that the relationship between corporate environmental responsibility and competitive advantage is raising as a key stream of literature on corporate environmental responsibility. Also, Husted and Allen (2007) state that CSR has become a highly valued source of competitive advantage. Overall, the importance of environmental CSR has risen, and CSR has become a strategic phenomenon (Castello and Lozano, 2009). This strategic nature of CSR will be covered in greater detail in the next chapter on the different approaches to strategic CSR.

2.1.3. Different approaches to strategic CSR

Strategic CSR literature has started to emerge from CSR literature in the 1990s (Arena et al., 2018), and according to McWilliams and Siegel (2011), Baron (2001) was the first to refer to the concept of strategic CSR, when discussing the use of CSR in capturing value. Since then, strategic CSR has been defined in various ways, using for example economics, strategic management and strategic leadership theories when explaining the concept (see e.g. see e.g. Lantos, 2001; Husted and Salazar, 2006; Orlitzky et al., 2011; Ramachandran, 2011). Husted and Salazar (2006) base their arguments on the theory of microeconomics, claiming that companies should act strategically, instead of being coerced into making investments in CSR. They categorize CSR into altruistic, coerced or strategic, and highlight the potential benefits that both businesses and society can gain through using a strategic approach to CSR

(Husted and Salazar, 2006). Hence, strategic CSR is seen as superior to other forms of CSR, and Husted and Salazar (2006) recommend treating strategic CSR investments parallel to other possible investments, where benefits are different to the business and society.

A similar view is shared by Lantos (2001), who divides company CSR into ethical, altruistic and strategic, claiming that ethical CSR should be practiced and altruistic CSR is merely useless for businesses. Strategic CSR, on the other hand, should be the key focus, and companies should pursue good deeds that are also good for their business (Lantos, 2001). Moreover, Lantos (2001) and Husted and Salazar (2006) all point out that companies are still under pressure to earn profits to the shareholders, and serving other stakeholders should not neglect this duty. Overall, the economic theories presented by Husted and Salazar (2006) and Orlitzky et al. (2011) neglect companies' responsibilities towards the society and non-economic stakeholders, relying on Friedman's (1985) view on shareholder profit maximization.

In addition to the economic perspective, many theories explaining strategic CSR refer also to strategic management (see e.g. Orlitzky et al., 2011), and use the theory of resource-based view (RBV), when describing the foundations of strategic CSR. RBV offers great help in explaining the concept of strategic CSR and its possible benefits from the company perspective, and it was extended by a theory of competitive advantage that is based on valuable, rare, imitable and non-substitutable (VRIO) resources a company should possess (Barney, 1991). RBV is extensively used in the context of strategic CSR, and its value as a theory that identifies the sources of competitive advantage is widely recognized (McWilliams and Siegel, 2011). In a nutshell, RBV helps companies to measure the strategic value that they can gain from CSR (McWilliams and Siegel, 2011).

RBV has also been further developed, and based on the positioning school by Porter (1985), (Ramachandran, 2011) argues that companies should develop specific, new dynamic capabilities outside of the VRIO combinations in order to use CSR as a basis for competitive advantage. These dynamic capabilities could include for example new kind of processes, such as knowledge generation or impact assessment (Ramachandran, 2011), which would lead to thinking CSR in a more strategic way. Ramachandran (2011) identifies response clarity and resource leverage as the immediate antecedents of the strategic CSR success, claiming that these are closely integrated to the dynamic capabilities of 'sense and respond' and 'execution' and implying that CSR can successfully be turned strategic. According to

Ramachandran (2011), concentrating both on improving company's relative cost or price position, as well as the social or environmental condition makes CSR strategic, and can benefit also other stakeholders, such as the farmers. From this point of view, strategic CSR implies that company behavior takes both aspects into account, and does this by also outdoing the performance of those competitors who do not practice CSR. Overall, Ramachandran (2011) highlights the role of key individuals in the processes of knowledge generation, issue identification and execution to achieve strategic CSR. This means that it is the individuals in organizations, who have a high impact on how strategic CSR will in the end turn out to be, due to their actions on different phases of planning, initiating and implementing strategic CSR practices in organization.

However, even though key individuals are important, their actions are reflections on the wider CSR culture prevailing in the organization. Hence, the phase of the CSR development in the organization influences on how strategic CSR is seen. Companies often see competitive advantage as something to be achieved in short-term, and ignore the impact of the development of CSR for competitive advantage (Porter and Kramer, 2006). Maon et al. (2010) divide CSR development in organizations into different organizational stages and cultural phases, claiming that the development happens in three stages and seven phases. Through these periods of time the awareness on the importance of CSR rises in the organization, and meanwhile CSR also becomes more strategic. In the strategizing stage of the last phase, CSR is seen as a vital part of the corporate strategy and a contributor of long-term performance. Even though during the strategizing stage the organization already goes beyond just the community expectations, the emphasis of the CSR as fully integrated part of the business is even bigger in the last, transforming stage. Hence, when discussing how strategic CSR is in organizations, it is also important to take the overall development of CSR into account, as companies can be in very different phases. However, defining the exact phase or stage of the CSR in the organization might be hard, or even impossible, as Maon et al. (2010) state that CSR development is a dynamic and continuous process. The phases are not necessarily even linear, and organizations might skip few steps or even go backwards by eliminating some steps (Maon et al., 2010; Pistoni et al., 2016).

Also, Calabrese et al. (2013) take the CSR development in the organization into account and introduce a model that supports managers in pursuing long-term competitiveness and turning CSR-driven opportunities into business advantages. Their model consists of the phase of the CSR development (Maon, 2010) that helps companies to define the phase of their cultural

CSR evolution, as well as CSR commitment according to Global Reporting Initiative (GRI) guidelines (Calabrese et al., 2013). The latter provides help evaluating company's commitment according to the economic, legal, ethical and philanthropic practices (Calabrese et al., 2013). These two axes of CSR development and CSR commitment form a matrix, from which a company can see its position with respect to its competitors and therefore benchmark the actions of the top performers (Calabrese et al., 2013). Therefore, the model aims at helping companies to improve their CSR practices into a more strategic direction to achieve competitive advantage.

When having a discussion on the nature of strategic CSR and competitive advantage, it is naturally important to acknowledge the multiplicity of research that concentrates on the CSR's effect on company's performance. The studies on the correlation between company's CSR practices and financial performance can be divided into three categories: the ones believing that there is no such correlation (see e.g. McWilliams and Siegel, 2000; Murray et al., 2006), the ones arguing that CSR practices have a negative impact on profitability (see e.g. Wagner et al., 2002) and the others claiming that it pays to be environmentally responsive (see e.g. Khojastehpour and Johns, 2014; Boesso et al., 2015). Although the amount of empirical research arguing that companies, who care for their environment can see a positive market compensation is increasing (see e.g. Wahba, 2008), the research on the phenomenon and its results are still highly divided. Halme and Laurila (2009) present that the impact of CSR on company performance depends on what kind of responsibility the company practices. In this case, it might be relevant to look closer into the different types of strategic CSR.

Especially recognizable work in the strategic CSR literature has been a new, action-oriented CR typology, where Kourula and Halme (2008) and Halme and Laurila (2009) distinguish CSR into philanthropy, CR integration and CR innovation as a form of different CSR approaches. According to Halme and Laurila (2009), philanthropy is the most undeveloped form of CSR, that is mostly concerned on charity and different forms of voluntarism. Even though some argue for the importance of voluntarism as a form of CSR (see e.g. De Bruijn and Tukker, 2002; Husted and Allen, 2006; Dahlsrud, 2008), in the literature on strategic CSR voluntarism is often discussed in negative light (Leisinger and Schmitt, 2011; Halme and Laurila, 2009). CR integration, on the other hand, is seen more desirable, as it has already shifted its focus on increasing the responsibility of the existing business operations (Halme and Laurila, 2009). However, according to Halme and Laurila (2009), CR innovation is the

most developed form of CSR, as its emphasis is on creating new business models that solve social and environmental problems. This CR innovation bares resemblance to the concept of creating shared value (CSV), as both emphasize companies' strategic intention to practice CSR also for the good of the whole – that is the nature, or society. The concept of creating shared value (CSV) has been attracting a lot of attention in the recent years, and it is greatly discussed in the previous literature (see e.g. Porter and Kramer, 2011; Crane et al., 2014; Dembek et al., 2016; Hovring, 2017; Matinheikki et al., 2017). CSV has a focus on 'creating economic value in a way that also creates value for society by addressing its needs and challenges' (Porter and Kramer, 2011, p.4). Since the official emergence of the concept of creating shared value in Porter and Kramer's (2006) article, the reception towards the concept has been contradicted.

Porter and Kramer's (2011) article on shared value has been criticized for its unoriginality, the ignorance of the tensions between social and economic goals as well as being naïve about the challenges of business compliance and being based on a shallow conception of the corporation's role in society (see Crane et al., 2014). Dembek et al. (2016) argue that shared value is often looked only at the project or initiative level, hence lacking broader perspective. Moreover, a recent article by Beschorner and Hajduk (2017) criticizes that Porter and Kramer's concept of creating shared value is based on an outdated understanding on CSR that is not connected to the core business, and hence sees creating shared value as something substantive and novel. However, as discussed in this chapter, nowadays CSR is seen as an integrated part of the business and an antecedent of competitive advantage. In addition to this, according to Beschorner and Hajduk (2017), the article lacks understanding on the current role of business in society, as it assumes businesses only as profit-oriented actors who do business based on an idea of an economic rationality. Beschorner and Hajduk (2017) argue that even though this might be partly true, businesses are also societal actors who must act upon the normative expectations of the government and society. Hence, even though shared value is very useful in explaining the synergies between economic value and social and environmental value (Arena et al., 2018), it should be understood as normative strategic orientations of the company (Beschorner and Hajduk, 2017). A similar view is shared by de los Reyes et al. (2017), who argue that creating shared value should be seen through ethical frameworks. This means first thinking whether relevant societal or environmental issues to be addressed exist, and secondly considering whether legitimate norms that should be followed are present (de los Reyes et al., 2017).

Even though some argue that it is not likely that social problems will ever completely be solved through shared value creation (see e.g. Dembek et al., 2016), that is the direction that companies should more actively shift their focus on. However, creating shared value does not mean that companies should shift the direction of their business to address the world's biggest social problems that are not central for their business. On the contrary, as Porter and Kramer (2011) argue, the best opportunities are tightly related to company's core business. Hence, companies should focus on their key areas and capabilities, but move from thinking strategic CSR merely as competitive advantage, and rather as something that will benefit the broader business environment and society.

This is highlighted also by a referential stage model for CSR (Martinuzzi and Krumay, 2013). Martinuzzi and Krumay (2013) present that companies cope with societal demands through four different approaches, and especially through strategic CSR companies include environment and society in strategic decisions and think business in new ways. Whereas strategic CSR is according to Martinuzzi and Krumay (2013) strongly linked to achieving competitive advantage through creating shared value, transformational CSR concerns itself more with fostering the abilities for continuous organizational learning, and can hence be seen as even more vital for businesses. These strategic approaches enable companies to create value for both themselves and the society. Similar approach is also taken by Maon et al. (2010), who highlight organizations' capability to find business opportunities to achieve social, environmental and economic benefits and proactive approach to sustainable alliances with community groups and NGOs in the last organizational phase of CSR embedment. Also, the previously mentioned CR innovation sees CSR as a source of business innovation (Halme and Laurila, 2008) and hence can be seen to belong to the same discussion as shared value. Overall, collaborative methods benefitting all parties in the ecosystem are highlighted in the literature on creating shared value (see e.g. Porter and Kramer, 2011; Matinheikki et al., 2017). Porter and Kramer (2011) talk about developing new skills and knowledge, and mention collaboration across profit/nonprofit boundaries as one of the key skills in the future. For example, collaboration with local farmers and supporting them also financially to improve farming methods can lead to higher efficiency and yields. Porter and Kramer's (2011) article provides a successful example on this, where collaboration between Nestle and farmers led to positive results and farms' environmental impacts were managed to be reduced. Therefore, it is no wonder that the shared value is often referred to as redesigning productivity in the value chain (Spitzeck and Chapman, 2012).

Overall, CSV is often very similar to different strategic CSR approaches that aim for creating sustainable businesses, where fulfilling the economic needs is not superior to the societal needs. Sometimes it can be hard to measure how much value company CSR actually brings to society, as consumers are often unsure on how companies' internal operations constitute for their moral and political standards of CSR (McWilliams and Siegel, 2011). This calls for greater transparency on companies' CSR practices, and the sustainability of companies' internal practices will be further discussed in the second part of the literature review concentrating on the sustainability in supply chain management.

2.2. Sustainability in supply chain management

In this chapter, the concept of sustainability in supply chain management will be covered through the development of SSCM literature, organizational learning in supply chains, as well as supply chain collaboration between different partners. In this second part of the literature review, sustainability in supply chains and moreover sustainable supply chain management is chosen to be used as the main concept. The more multidisciplinary theories connecting literature on supply chain management and CSR are left unraveled, as they often concentrate more on the supply chains and processes in ethical levels (see e.g. Maloni and Brown, 2006; Kovacs, 2008; Carbone et al., 2012) and leave more practical aspects of collaboration between different supply chain partners undiscussed. A more systemic perspective is needed to provide understanding on businesses - or in this case supply chains - inside bigger macroeconomic and ecological systems (Bansal and Song, 2017). Moreover, as one of the main questions of this research concentrates on the actual impacts that voluntary environmental commitments have in practice, the SSCM literature provides best help in answering this question. The literature on green supply chain management is covered only to some extent, as it is often more focused on monitoring and control elements of SSCM (Vachon and Klassen, 2008). However, green supply chain management literature contains also relevant articles on integrating environmental thinking into supply chain management processes (Zhu et al., 2008; Srivastava, 2017), and some argue that sustainable supply chain management is seen merely as an extension of green supply chain management (Ahi and Searcy, 2013). Hence, theories from both fields of literature are used in this review under the concept of sustainable supply chain management.

2.2.1. Sustainable supply chain management

Sustainable supply chain management literature has evolved a lot during the past decades, developing into its own stream of research, separating from supply chain management and meanwhile becoming more common (Pagell and Shevchenko, 2014). Carter and Rogers's (2008) article on the relationship between sustainability and supply chain management was the first to build a framework on the literatures of sustainability and supply chain management. Overall, the importance of sustainability in supply chain management has risen during the last few years (Seuring and Müller, 2008; Ahi and Searcy, 2013), and it is said to hold promise in tackling the challenges of supply chain management (Ansari and Kant, 2017). Moreover, others claim that rising issues on supply chain management, such as collaboration with different parties hold a promise on solving some of the most complex problems related to sustainability in supply chain management (Oelze et al., 2016). Overall, companies are starting to acknowledge their responsibility towards the environment, and paying more attention on how they could enhance the sustainability in the supply chain, as it is even more widely recognized as a source of competitive advantage (Gold et al., 2010).

However, some argue that sustainability is too separate from the mainstream supply chain management research (Pagell and Shevchenko, 2014) and as environmental issues cannot be managed without a connection to other supply chain management activities (Vachon and Klassen, 2008), truly sustainable supply chain cannot be created. Pagell and Shevchenko (2014) argue that limited stakeholder view exists on SSCM literature, and that the focus should be on solving the problems that occur, when different stakeholders have conflicts of interest regarding to the appreciation of environmental, social and economic concerns. A clear rise of interest towards the sustainable aspect of supply chain management is visible also in practice, as consumer and stakeholder pressures to operate more sustainably are rising (Ashby et al., 2012; Tate et al., 2010). Besides the external pressures from stakeholders, sustainable supply chain management is becoming a pressing issue from a company perspective as well, as efficient supply chain and good collaboration is seen to lead to cost savings (Fawcett et al., 2008). Overall, companies are starting to acknowledge their responsibility towards the environment, and paying more attention on how they could enhance the sustainability in the supply chain, as it is even more widely recognized as a source of competitive advantage (Gold et al., 2010).

However, our present knowledge is still undeveloped on what new practices and processes

are needed to create truly sustainable supply chains (Pagell and Shevchenko, 2014) and therefore, we should aim to have a better understanding on how the current practices affect and what is their actual impact on the sustainability of the supply chain. Only then, can we start picturing on the possible new practices that could have a different kind of impact. Specific issues that can be recognized in the sustainable supply chain literature include e.g. reverse logistics, risk management to identify environmental and social problems, the total life cycle of the product and the collaboration between different supply chain members (Ashby et al., 2012). Beske et al. (2014) categorize sustainable supply chain management literature through the use of practices that can be divided into strategic orientation, continuity, collaboration, risk management and pro-activity.

Different issues can also be categorized according to wider emerging themes. For example, Sodhi and Tang (2017) have divided the literature on sustainable supply chains into eight themes of stakeholder pressure, governance, contingencies, practices, partnerships, barriers, enablers, performance, optimization for performance improvement and trade-off. The current literature is very concentrated on processes and sustainable practices, and according to Sodhi and Tang (2017, p.7), case studies are often used to interpret how social sustainability is implemented in practice, and their definition of practices as 'tangible implementations of sustainability' refers to how sustainability is often studied in the context of supply chain management: through studying sustainable practices as representatives of sustainability. Similar approach is also taken in this research, as the focus will be on organizational learning and collaboration's impacts on sustainability. This decision is also supported by Ashby et al. (2012), who suggest the role of supply chain relationships in achieving sustainability as a future key research direction. The next chapter will go closer into the role of organizational learning in supply chains.

2.2.2. Organizational learning in sustainable supply chains

The role of organizational learning enhancing sustainability in supply chains is highlighted by previous research (Zhu et al., 2008), and it is seen as a key issue for achieving sustainability in supply chain (Oelze et al., 2016). Organizational learning can be defined in various ways and different perspectives make it difficult to find synthesis between the definitions or models (Lähtenmäki et al., 2001). Given the complexity of the phenomenon, and the variety of existing perspectives, López et al. (2006, p.217) define organizational

learning quite insightfully, describing it as ‘a dynamic process of creation, acquisition and integration of knowledge aims to develop the resources and capabilities that allow the organization to achieve better performance’. Similar view is shared also by Zhu et al. (2008), who identify organizational learning as a key capability, referring to the resource-based view of the firm. Moreover, Zhu et al. (2008) argue that organizational learning is a valuable activity for enhancing sustainable practices in the supply chain.

Oelze et al. (2016) list several reasons for organizational learning in the context of sustainable supply chains, such as training, knowledge acquisition, stakeholder engagement and collaboration between intra-organizational and inter-organizational partners. Some of these can be seen as more strategic than others, for example training being a strategic approach in order to enhance organizational learning (Oelze et al., 2016). Dyer and Singh (1998), on the other hand, emphasize especially the role of supply chain partners in organizational learning, arguing that collaboration with different partners can lead to the development of knowledge-sharing routines and capability to integrate external resources. This learning is needed, as companies do not necessarily have the required skills to implement sustainability in the supply chain (Cramer, 2008). As the typical supply chain training for practitioners focuses on more traditional aspects of cost and quality (Oelze et al., 2016), through collaboration practitioners can develop new competencies in order to understand the sustainable aspects of supply chain management. Hence, the collaboration in the supply chain can lead to inter-organizational learning on sustainability issues (Vachon and Klassen, 2008). Next, as collaboration has a key role in fostering organizational learning, the different forms of collaboration and their impacts on enhancing sustainable practices in the supply chain are looked closer into.

2.2.3. Collaboration in sustainable supply chains

The importance of collaboration is highlighted in supply chain management literature, and the aspect of cooperation between supply chain members is present also in various definitions of supply chain management, as noted by Beske et al. (2014) and Govindan (2018) as well. Recently, the same importance is emphasized also in the literature of sustainable supply chain management (see e.g. Vachon and Klassen, 2008; Pagell and Wu, 2009; Oelze et al., 2016). Liu et al. (2018) argue for importance of the multi-stakeholder collaboration as well, highlighting its increasing meaning for sustainability in supply chains in the future.

Oelze et al. (2016) divide the collaboration with different stakeholders into inter-industry and intra-industry collaboration, emphasizing that these forms of collaboration have both direct and indirect impacts on the implementation of sustainable policies in the supply chain. According to Oelze et al. (2016), inter-industry collaboration can be further divided into industry collaboration, NGO collaboration, and supplier collaboration. These different forms of collaboration and Oelze's (2016) model on the relationship between collaboration, organizational learning and sustainability in the supply chain provide an insightful tool for analyzing how the sustainability of supply chains is enhanced through collaboration. Next, these different forms of collaboration are gone through in more detail.

Industry collaboration fosters organizational learning through knowledge-sharing on best practices, whereas NGO collaboration often aims at implementing sustainable policies into supply chain through collaboration on a shared area of interest, and hence provides companies valuable information (Oelze et al., 2016). The impacts of the industry and NGO collaboration are various. At the very lowest level, stakeholder pressure may lead to awareness on sustainability issues in supply chain management (Meixell and Luoma, 2015). However, often the effects of collaboration with the stakeholders have deeper impacts on the sustainability of the supply chain. Different theories and practices for enhancing the sustainability in the supply chain through collaboration exist, and the role of external stakeholders varies depending on the stakeholder and their activity. One such practice is supplier development for sustainability (SDS) which is considered as a key element of the SSCM practices (Liu et al., 2018).

In their study, Liu et al. (2018) argue that three types of primary contributors to SDS exist, and as companies might lack resources or capabilities to implement SDS practices themselves, these stakeholders might provide valuable help in developing specific capabilities. These stakeholders are seen as contributors that can be divided into drivers, facilitators and inspectors, and especially the role of drivers is vital in bringing companies pressure to create SDS practices (Liu et al., 2018). Drivers have an integral role in shaping and co-designing the preliminary objectives, and they are often 'mission driven about specific sustainability issues', whereas facilitators are more concentrated on providing knowledge and/or resources to implement SDS practices and they are often a great help in scaling up the impact of practices (Liu et al., 2018, p.105). Inspectors, on the other hand, have the weakest link with companies, as they want to maintain neutrality and act merely as supervisors (Liu et al., 2018). From this division, it is clear that drivers have the most

profound impact on the sustainability of the supply chains, and the driver or facilitator would be the preferred role of the stakeholders, in order to help developing sustainable practices in the supply chain. Especially, external stakeholders, such as NGOs, should not be seen as mere inspectors, but rather as collaborative partners helping companies to develop their sustainable supply chain practices (Meixell and Luoma, 2015).

The contributors' impact varies also depending on their activity on different stages of the process (Meixell and Luoma, 2015), and according to Liu et al. (2018), drivers tend to be the most active in the designing stage, whereas facilitators are especially active in the stages of recruiting and engagement, as well as implementation and monitoring. In contrast to that, inspectors are only active in the latter stages of implementation and monitoring, and conclusion and reflections (Liu et al., 2018). Similar impacts have been noticed in other studies as well, and according to Meixell and Luoma (2015), stakeholder pressure can create awareness of sustainability issues as well as influence the adoption of sustainability goals and implementation. Different external stakeholders influence different phases of supply chain management, and the primary supply chain stakeholders have the biggest impact on the actual sustainability implementation phase, whereas other stakeholders, such as customers, government or NGOs, are more effective in regulating public opinion and hence influence the awareness of sustainability issues and the adoption of sustainability goals within companies (Meixell and Luoma, 2015).

On the other hand, a study of Gonzales-Benito and Gonzales-Benito (2006) emphasizes that NGO pressure has an impact on both awareness and implementation of sustainable supply chain practices. Nevertheless, the importance of stakeholder involvement, as well as NGOs as these stakeholders, is highlighted in sustainable supply chain management literature (see e.g. Schrader et al., 2012) and the activity of the contributors in specific stages might give some hints on its actual impact on the sustainability of the supply chain. However, SDS has been researched only to a small extent so far (Liu et al., 2018; Zimmer et al., 2016), and understanding on the real-world problems with several collaboration parties is still undeveloped (Liu et al., 2018). Hence, new research on different forms of collaboration and its impacts on the sustainability of the supply chain through collaboration are needed to better understand the issue.

In addition to the cooperation with external stakeholders that act as third parties helping with the collaboration between buyers and suppliers, the collaborative approaches are important

also when working with the suppliers, and according to Sharfman et al. (2009), they are likely to lead to better results. Collaboration with suppliers has been recognized as a common best practice (Touboullic and Walker, 2015) and it is also becoming a necessity for companies to achieve competitive advantage. When competition increases in the business environment, the success of the company is increasingly about the performance of its supply chain, moving from 'firm vs. firm' to 'supply chain vs. supply chain' thinking (Hult et al., 2007; Zhu et al., 2008). Oelze et al. (2016) also mention collaboration with suppliers as the third form of inter-organizational collaboration, which can ultimately give better understanding on suppliers' processes to increase the sustainability of the supply chain, and lead to mutual learning on best practices. According to Vachon and Klassen (2008), the collaborative sustainable practices with suppliers include exchange of information and desire to learn from each other, and through these processes bigger benefits can be achieved. Overall, collaboration with suppliers is often referred as environmental collaboration, and Vachon and Klassen (2008, p.299) see that it has a focus on 'inter-organizational interactions between supply chain members, including such aspects as joint environmental goal setting, shared environmental planning, and working together to reduce pollution or other environmental impacts'. Moreover, environmental management towards more sustainable practices has developed, as company's impact on the environment is nowadays more and more seen on a strategic level, instead of being just a compliance matter (Sharfman et al., 2009).

Collaboration could also be looked from the company perspective, by identifying the internal capabilities inside the company that foster collaboration and enhance sustainability of the practices in the supply chain. Oelze et al. (2016) argue for the importance of intra-organizational collaboration, as the participation of people with different skills often leads to the implementation of more sustainable practices. Hence, initiatives that require people from different departments can lead to organizational learning, as expertise from different areas ranging from supply chain management to CSR is combined, resulting to enhanced sustainability in supply chain management practices. This intra-organizational collaboration can be seen to bring awareness on sustainability issues, as the training for supply chain professionals often concentrates more on traditional issues from cost to quality, leaving sustainability to a smaller focus (Oelze et al., 2016).

One such theory that could provide help in analyzing companies' capabilities to collaborate in a way that enhances sustainability in supply chain is the connection between sustainable

supply chain management practices and dynamic capabilities. Dynamic capabilities have been developed from the resource-based view of the firm, but compared to the resource-based view they emphasize more the new combinations of resources that can bring competitive advantage to a company (Ramachandran, 2011). According to the definition of Helfat et al. (2007, p.1), these dynamic capabilities are seen as 'the capacity of an organization to purposefully create, extend, or modify its resource base'. Beske et al. (2014) present that by combining different routines formed of more operational SSCM practices, distinctive dynamic capabilities can be created. Dynamic capabilities are vital from the collaboration point of view, as many of them are closely related to collaboration with different partners in the supply chain, and according to Beske et al. (2014), many of the dynamic capabilities highlight enhancing the relationships. Especially, supply chain re-conceptualization and co-evolving emphasize improving the sustainability of the supply chain together with the right partners. Supply chain re-conceptualization is mostly concerned with selecting the right partners to operate with, whereas co-evolving focuses on creating partner-based synergies by improving the relationships (Beske et al., 2014). In practice, this could mean that a relationship between a farmer and a company director could lead to both sharing their primary networks and helping one another to improve their businesses (Beske et al., 2014). Through combining these dynamic capabilities, new capabilities leading to long-term sustainable competitive advantage can be formed (Beske et al., 2014).

The dynamic capabilities are also mentioned when talking about the relational view, which focuses on the critical resources that are shared across company boundaries, and embedded in the supply chain (Gold et al., 2009). The relational view acts as a good theory for analyzing the actual impacts of the enhanced collaboration with different parties in companies' supply chains, and it can be seen as an extension of the resource-based view, which concentrates on the competitive advantage created by the company's resources and capabilities (Gold et al., 2009). However, according to Vachon and Klassen (2008), the current literature on the relational view does not handle environmental issues in a sufficient manner. Concerns that are traditionally seen as non-core, such as environmental or sustainable supply chain management, should be seen as a part of the relational view (Vachon and Klassen, 2008). Lamming et al. (1999) argue as well that the concept of relational view could be widened to see supply chain management belonging to a bigger discussion on sustainable development.

2.3. Synthesis of literature

The previous literature review has concentrated on building a comprehensive overview on the relevant literature related to strategic CSR and SSCM. Next, these fields of literature are synthesized, and their insight on understanding the research questions is shortly discussed. The research questions presented earlier are as follow.

1. How strategic are voluntary environmental commitments perceived in companies?
2. Do voluntary environmental commitments influence on the sustainability of companies' supply chain practices? If yes, how?

Based on the previous literature review, it can be summarized that the literature on strategic CSR highlights the importance of CSR as something that is tightly integrated into core business, and should therefore be seen as a central factor in gaining competitive advantage. In addition to this, strategic CSR literature also identifies how companies can truly create social and environmental value and enhance organizational learning by seeing CSR as a strategic function on the company level. Overall, these objectives of creating both economic and environmental value should not be seen as contradictory, but rather as integral parts for seeing CSR strategically. Therefore, a similar focus should be kept, when discussing the strategic significance of the voluntary environmental commitments as a form of CSR as well.

As the literature on strategic CSR brings understanding especially on the first research question, it might help in increasing understanding on the second one as well. If a commitment is perceived as strategically significant, it might also influence the sustainability of the company's supply chain practices, as more effort is put into developing the practices into more sustainable direction. The more strategic CSR is seen, the more it is integrated directly into the business functions, therefore leading to collaboration and organizational learning enhancing the sustainability of the supply chain. This shall be further discussed in connection with the empirical research.

Moreover, the literature on SSCM provides deeper understanding on the second research question. The most significant insight from the SSCM literature is the framework presented by Oelze et al. (2016), which can be used on understanding how voluntary environmental commitments influence the sustainability of companies' supply chain practices. The framework recognizes collaboration with suppliers, industry partners, and NGOs as

antecedents of organizational learning, all of them helping share information and develop best practices in mutual collaboration. These antecedents of organizational learning might prove to be insightful in this research as well, as they might provide understanding voluntary environmental commitments' impacts on the sustainability of companies' supply chain practices.

3. Research setting

In order to bring the previously presented literature on sustainable supply chain management into the context of this thesis, this chapter will focus on sustainable supply chains and the role of sustainable practices in agriculture. Agriculture is one of the most referred examples of sustainable supply chains. Sustainable supply chain management literature contains various examples from farming (see e.g. Renting et al., 2003; Maloni and Brown, 2006; Smith, 2008), and farmers are used as an example in terms of sustainable supply chain collaboration as well (see Beske et al., 2014). Besides agriculture, also food industry and more specifically building sustainable food supply chains are covered in various relevant articles, often connected to the increasing pressure coming from the consumers (Beske et al., 2014).

Agriculture provides an excellent context for conducting research on sustainable supply chain practices for several reasons. Firstly, sustainable agriculture practices have been researched a lot in the past (see e.g. Smith, 2008; Withers et al., 2014) and this enables access to a large amount of data, when trying to understand what sustainability in agriculture actually means, and how it is related to companies' supply chain practices. Secondly, studying sustainability in this context is highly relevant and motivating, as agriculture practices are clearly connected to big environmental issues, such as eutrophication and climate change. Finally, if sustainable agriculture practices are seen as representatives of sustainable supply chain practices in this research, studying them enables to understand the phenomenon also from both farmers' and company's point of view. Even though the farmers are the ones responsible for the sustainability of their practices, these practices are also a part of companies' supply chains and therefore farmers can be seen as accountable for the companies as well.

However, companies have not historically had such a big role in influencing the sustainability of the farming practices. Previously, the environmental sustainability of farming practices has been regulated mostly by different laws and regulations, such as EU's Common Agricultural Policy (CAP). The environmental regulation on CAP is based on two principles of avoiding environmental damage and provision of environmental services. The first one concentrates on ensuring compliance with the mandatory national and European standards, whereas the latter one attempts to actually influence on voluntary behavior by encouraging farmers to make environmental commitments (European Commission, 2018).

Even though this kind of voluntary behavior is encouraged for and subsidized as well, the CAP has faced a lot of critique by different stakeholders, such as environmentalists, economists, farmers and consumers (Food sustainability index, 2017), on how it encourages towards environmentally damaging intensive farming practices that negate the positive impacts achieved by ‘greening’ the practices (see e.g. the Guardian, 2003; Euractive, 2017). Overall, the CAP is clearly outdated, as can be seen from the amount of critique it has received for decades now. Hence, new methods encouraging farmers to favor sustainable practices reducing eutrophication should be came up with, and this is where companies step into the picture.

As eutrophication poses a significant challenge for the environment, finding the possible solutions should be the responsibility of both businesses and society. Companies’ responsibility comes from their role as a buyer, and hence they have power to influence on the sustainability of the practices used. In addition to this, also the role of consumers and other primary stakeholders should be taken into account, when discussing companies’ ability to influence the sustainability of the farming practices. Consumers are nowadays increasingly concerned about companies’ responsible behavior (Deblonde et al., 2007) and they can interpret the supply chain sustainability as a quality attribute (Smith, 2008), meaning that sustainability is a prerequisite also for their purchase decision. Other stakeholders are aware of their decisions’ impact on companies’ behavior as well (Lamberti and Lettieri, 2009), and as stakeholders are aware of their impact, they can also require companies to report on their efforts towards the sustainability of the practices. These requirements are easily transformed into concrete pressure facing the companies, which in turn can be directed to the farmers.

However, no easy solutions for enhancing the sustainability of the farming practices exist, and just the presence of the companies is not enough to solve these issues. In practice, influencing the sustainability of the supply chain means having an impact on what each individual farmer does with their fields, and there is only so much that companies can require from the farmers. In the end, farmers can still decide on how they farm, as long as someone is willing to pay for it. Moreover, the sustainability of the farming practices is a controversial issue, as often the productivity and sustainability are seen as exclusive (Withers et al., 2014). In order to enhance the sustainability of the farming practices, the amount of nutrient inputs should be reduced, but according to Withers et al. (2014), it is challenging to increase productivity and profitability, if the amount of nutrients put to the field is meanwhile

decreased. Maintaining productivity is important, as farmers' livelihood depends on how profitable farming is, and hence it should be taken care of that farming is also financially sustainable for the farmers. Decreasing the amount of nutrients, on the other hand, is often seen as vital for environment, as then the nutrient leakages and eutrophication can be minimized. This controversy will perhaps only rise in the future, as the amount of fertilizers and nutrient inputs will have to be increased to match the growth in food demand (see e.g. Doody et al., 2014).

Hence, it is safe to say that no consistent opinion exists on how sustainability can be achieved in agriculture. Nowadays, it is increasingly argued that productivity can be increased while reducing, or more specifically optimizing, the amount of nutrient inputs, and this is more often referred as sustainable agriculture (Jat et al., 2015). Jat et al. (2015) argue that through integrated nutrient management (INM), productivity and sustainability of farming can simultaneously be increased. Nevertheless, farming environments are different, and characteristics ranging from the soil to the temperatures have an impact on the practices that should be favored. Different fields have also different amount of nutrients to begin with, and hence the optimal amount of nitrogen (N) and phosphorus (P) is not alike for all fields. Even though it is often argued that an excess amount of nutrients is detrimental for the environment, giving too little is not good either, as in the long run it will lead to exploiting the fields. Hence, changes in agriculture practices should be done based on the current research, also acknowledging the characteristics of a specific catchment and soil. However, it is hard to detect the threshold values at which nutrients do not constrain the recovery of the ecosystems, and hence estimating the correct amount of nutrient reductions is complicated (Doody et al., 2014). Overall, it should be noted that optimizing the nutrient inputs is not the only sustainable practice as also other things, such as winter crop coverage and enhancing biodiversity, can be done to enhance the sustainability of the agriculture practices. However, as optimizing the nutrient inputs appears to dominate the conversation about practicing sustainable agriculture, as it was repeatedly mentioned in the case interviews, the other methods shall not be further discussed in this connection.

Moreover, all leakages caused by other factors than agriculture should be taken into account, when making decisions about sustainable farming practices. Even though agriculture is often listed as the major cause of eutrophication, it is also argued that agriculture's influence on eutrophication is overemphasized in many catchments (Withers et al., 2014). For example, in some cases regulating the wastewater discharge will lead to more significant

improvements on the catchment ecosystems than the changes in the agriculture practices (Withers et al., 2014). Hence, the use of nitrogen and phosphorus should be more efficient in all sectors in order to preserve the catchment areas and it is vital to have clear evidence on how agriculture influences eutrophication in each specific situation, so that creating sustainable farming practices will not end up merely disrupting the profitability of the farming. However, as everything has an impact on everything, evaluating the impact of farming practices is not so easy. Other factors influence the state of the seas and oceans as well, such as hydrological patterns caused by the climate change. Overall, in order to preserve the Baltic Sea from eutrophication, appropriate and optimized actions should be taken. One of the major challenges facing the future society will be to preserve earth's water resources (Withers et al., 2014) and even though farmers are not the only ones to blame, sustainable agriculture will play a big role in saving our seas and planet.

4. Methodology

The following chapter will concentrate on explaining the methodological choices of the research. The focus will be on shedding light on the research approach as well as the data collection and analysis methods. At the end of this chapter, also an evaluation of the research process and some ethical considerations will be presented.

4.1. Research approach

4.1.1. Qualitative case study approach

Qualitative research method is used in this research, as the research aims to increase understanding on the strategic significance of voluntary environmental commitments, as well as their impact on the sustainability of companies' supply chain practices, and achieving this understanding requires analyzing qualitative data that describes the perceptions of different people working in the companies. This is also closely related to the selection of qualitative case study approach, and interpretivist approach as an epistemological starting point. The qualitative case study approach has been widely used in qualitative research, and especially its ability to present complex and hard-to-grasp issues in an acceptable and down-to-earth format has appealed to business researchers (Eriksson and Kovalainen, 2008, p.116).

An intensive case study approach will be used in this qualitative research to enable a deep understanding of the phenomenon in question. Overall, intensive case study approach is often used to get as close as possible to managers' world and create interpretations from this world and its problems from the inside (Dalton, 1959, p.1-2). Hence, the main focus in an intensive case study is on the case itself. In addition to this, a two-case study approach is used, as the selection of the case companies and their similar profiles allows to get deeper knowledge on how voluntary environmental commitments are interpreted by different actors in these companies.

4.1.2. Unit of data analysis

As the selection of the number of cases is determined by the aims of the study and the research question (Eriksson and Kovalainen, 2008: 124), two case companies were selected to represent this need. The unit of data analysis consists of the voluntary environmental

commitments made by these case companies, and moreover the strategic nature and impacts of these commitments. An intensive approach is required to achieve understanding on the above-mentioned perceptions of people involved in the commitments. The selected companies in this research are Food and Distillery. Both companies made a commitment to preserve the Baltic Sea, and have since been working together with BSAG to change their business practices into more sustainable direction. Out of all the companies that have made a commitment to BSAG, the selection of these specific companies is based on several factors.

First of all, most commitments made in the context of BSAG's commitment concept were somehow related to decreasing the negative effects to the Baltic Sea. However, the specific business side-effect on the Baltic Sea varies a lot between the companies. For simplicity and enhanced comparability, companies with similar kind of business side-effects to the Baltic Sea were chosen for closer examination. Companies with eutrophication as a business side-effect were preferred in the selection process, as it is listed as one of the biggest threats to the Baltic Sea according to the Helsinki Commission (2018). In addition to this, eutrophication is often closely linked to companies' operational business, and hence it can be argued that companies who have committed to reduce their business' negative side-effects causing eutrophication, will actually need to change their practices into more sustainable direction. Hence, all companies with eutrophication as a focus area of the commitment were looked into and based on both the quality of the commitment and companies' profiles, Food and Distillery were chosen as the case companies.

The commitment given by both companies was mainly concerned with reducing eutrophication at the Baltic Sea caused by the farming operations related to their businesses. Both commitments look into sustainable supply chain management and influencing farmers' procedures by sharing knowledge on sustainable farming practices and environmental impacts of different practices. Both Food and Distillery have huge farmer networks, consisting of hundreds of contract farmers, and therefore influencing on sustainability of the whole supply chain means impacting on the farming practices of each individual farmer. Influencing on individual farmer's practices is not an easy task, and consequently it provides an interesting area to study.

In addition to this, both companies have a similar profile in terms of geographical operating areas and main markets. The net sales of these traditional Finnish companies are marked up

in millions and both have main markets in Finland, but operate also in some countries around the Baltic Sea. In addition to this, they both operate in the food and beverage industry, which makes it easier to discuss the cases as they share a similar context.

4.2. Data collection

4.2.1. Research context

Voluntary environmental commitments and their strategic significance and impact on the sustainability of the supply chains is studied in the context of public environmental commitments made by the companies in the Baltic Sea Action Summit in 2010. Different companies and states all around the Baltic Sea area were invited to this Summit, and public, voluntary commitments were made to enhance preserving the Baltic Sea. Hence, all of the commitments made in the BSAG's commitment concept have the same purpose of protecting the Baltic Sea and enhancing its conservation by decreasing the detrimental effects that companies' businesses have on water areas. In this research, I will look more closely into two specific commitments out of the total 272 that have been made since the Summit.

4.2.2. Process of data collection

Interviews were chosen as the primary data collection method, as they provide first-hand information on how the commitments have been perceived in the companies, and what kind of impacts do people involved think they have had. Same kind of internal knowledge and information could not have been acquired by any other data collection methods, as the people in the specific positions and their diverse knowledge and perceptions on the commitments are integral for obtaining the data required to interpret the commitments' actual impact.

Interviews were committed to people in three different companies and one non-profit organization. Besides the people from case companies, one additional person was interviewed from another company in the role of an expert on the sustainable agriculture, therefore giving vital background information to understand the nature of the commitments and their impacts. The non-profit organization, BSAG, was also chosen to be interviewed, as they have knowledge on different companies that had made commitments to the Baltic Sea and these commitments' success and actual impacts on practice. Understanding these single commitments in the context of the whole commitment concept was important, it also

shed light on the phenomenon.

Altogether ten people were interviewed from these parties during December 2017 and January 2018. Each person was interviewed once, and one interview took approximately 30-60 minutes. The interviews were semi-structural in nature, which gave the interviewer a freedom to alter the interview in the given context (Corbetta, 2003). The use of semi-structural interviews also enabled and ensured broad understanding on the interviewees' thoughts on the whole phenomenon of voluntary environmental commitments, and did not restrict the discussion on emerging issues. Interviews were conducted in Finnish, as all interviewees speak Finnish as their native language and discussing about the commitments in this language was the most natural option to ensure that interviewees felt comfortable talking about the subject and had broad enough vocabulary to go to specifics.

The access to the first interviewees inside the companies was gained by the help of the thesis supervisor and her contacts, and the use of the BSAG-commitment data base, where contact information is listed for each project. The rest of the interviewees were accessed through a method of snowball sampling, where a study sample is achieved through referrals made among people who share or know others possessing some interesting characters meaningful for the research (Biernacki and Waldorf, 1981).

Interviews were committed to people responsible for CSR and purchasing in different levels in the companies. In order to get more info on the strategic side and the CSR commitments' connection to the companies' strategies, also one person working closer with strategy and being responsible for the whole business unit was interviewed.

Company	Position	Date	Duration
Distillery	Sourcing Manager	11.12.2017	55 min
Distillery	CR & Product Regulation Manager	8.1.2018	40 min
Distillery	Grain reception & contract farmer	9.1.2018	30min
Food	Managing Director	17.1.2018	30 min
Food	Senior Manager, Group sourcing	11.1.2018	40 min
Food	Grain sourcing manager	10.1.2018	70 min
Food	CR Director	11.12.2017	50 min
Food	Contract farmer	23.1.2018	15min
BSAG	Secretary General	13.12.2017	80 min
Hankkija	Research Manager	18.1.2018	25min

Table 1. Interview details

The selection of the people from these occupations is supported by the research questions as well, as deep understanding on the companies' CSR practices and supply chain management is required to understand the commitments' significance and impact. In addition to this, as collaboration with the suppliers and their opinions on the commitments are closely related to understanding the impact that these commitments have had, also local farmers from companies' networks were interviewed to gain information on their knowledge on the commitments. All people interviewed were aware of these commitments, and most of them were closely related to planning and executing them in the companies as well.

Understanding the real impact of the commitments inside the companies requires deep understanding on companies' previous practices related to sustainable supply chain management, and commitments' impacts on these practices. Hence, in order to evaluate the changes happened in the companies as a result of the commitments, the main focus of the interviews was to understand the objective of the commitments: how can eutrophication of the Baltic Sea be reduced by pursuing sustainable agriculture in the supply chain management practices. This focus has had an impact on the interview guides, and the interviews were partly very concrete, as in order to understand the phenomenon in question, its impacts need to be understood also from the farmers point of view. This means for example studying also the biological impacts of different sustainable practices.

Besides the interviews, secondary data was collected to ensure the reliability of the information, and moreover to help to 'clarify the meaning by identifying different ways the phenomenon is being seen' (Stake, 2000, p.441). Secondary data used in this research consists of information from company websites, press releases, annual and sustainability reports and research previously done around the BSAG commitments. In addition to this, information retrieved from BSAG's website and from a few other theses made in Aalto University School of Business in the context of BSAG's commitment concept were used as secondary material. Besides ensuring the reliability of the interviews, the secondary data acts also as a supportive and complementary material giving additional information on companies and their practices.

Material	Distillery	Food
Company websites & annual reports	Company websites and annual report of Distillery	Company websites and annual report of Food
Press releases	Press releases about the commitment	Press releases about the commitment and responsible grain sourcing principles
Internal material	Company CR presentation	Company CR & responsible grain sourcing presentation and other related material, grain sample analysis

Table 2. Secondary data accessed

4.3. Data analysis

The interview data was analyzed using a thematic analysis method. The method is designed for identifying and interpreting patterns of meaning across qualitative data (Clarke and Braun, 2014). According to Clarke and Braun (2014), thematic analysis means telling an interpretative story about the data in relation to the research question.

The method was suitable for this research, as the main point is on the value of the insights gained from interviewees' comments, and the interview data should be interpreted in a way that takes the themes emerging from the data into account, rather than applying pre-defined themes or frameworks before interpreting the data itself. The steps for the thematic analysis were done as follows:

1. Familiarization

This stage included transcribing and reading the data. All the transcripts were read a few times, and interviews were listened once to gain an understanding on the contents of the data and learning these contents inside out. The familiarization was repeated also later on during the process, as some time had passed since conducting the interviews.

2. Identifying a thematic framework

During this stage, the initial coding of the data started. This meant identifying key themes, notions, and categories within the text by taking the research questions and general objectives into account. This stage was partly overlapping with the coding stage.

3. Coding

In the coding stage, textual codes were used to identify specific pieces of data, which correspond to different emerging themes.

4. Charting

After the coding of the data was finished, the reorganizing of the data started, based on the thematic framework created during the previous phases. In this phase, the most important codes and themes were also freely transcribed from Finnish to English by the author.

5. Mapping and interpretation

In the final phase before producing a coherent text of the analysis, patterns, associations, concepts and explanations were searched and identified within the data. This phase included both within- and between case analysis, where emerging issues were interpreted both in isolation and in connection to the other case.

A more inductive approach was used in the analysis to give value to the information gained from the interviews and interpret the data without existing frameworks. This approach allowed the emergence of unexpected or otherwise important themes from the data, without preliminary expectations effecting the end result. The focus in the analysis was in the primary message content.

The initial coding was done inductively, and 104 codes and 13 themes were formed based on the interview data. After the literature review was written, the codes and themes were compared to the existing frameworks and theories, and a few key notions emerged during this process. The most significant themes emerging from the interview data were BSAG's role in the commitment, discussion, strategy & creating shared value, responsibility, networks, communications and farmers. Next, these themes were compared against the literature, and modified accordingly. In this process, commitments' role as a way to define sustainability issues in agriculture and act as a platform for collaboration, as well as commitments' strategic significance rose as key themes that could be identified from the data and partly also from the existing literature. Consequently, they were chosen as the main topics to concentrate on.

4.4. Evaluation of the research process and ethical considerations

The purpose of the research has not been to produce results that are necessarily generalizable in a bigger context, but to merely increase understanding on the phenomenon in question. This chapter will concentrate on evaluation of the research process by discussing validation of the study, as well as the study limitations. At the end of this chapter, also ethical considerations are discussed shortly.

Validity is a classic evaluation criterion for qualitative research, which refers to demonstrating the credibility of the study (Creswell and Miller, 2000). According to Guba and Lincoln (1994), the different paradigm assumptions influence the decision on the validation procedures used in the research. As this research has been conducted according to an interpretivist paradigm, it sees the reality as complex and subjective (Creswell and Miller, 2000), and hence the concept of 'trustworthiness' is seen as fit for evaluating this research. According to Lincoln and Guba (1985), trustworthiness can be seen to consist of credibility, transferability, dependability, and confirmability.

Lincoln and Guba (1985) describe dependability as the researcher's responsibility to keep the reader up to date during the research process. The whole research process has been documented on the methodology section and it aims to give a consistent overview on the whole process. The concept of transferability, on the other hand, is visible especially in the discussion section, where this research is compared to the existing studies on the topic and a common ground is built between them.

Credibility of the research comes from the sufficiency of the data and the logic of analysis to justify the observations (Lincoln and Guba, 1985). Altogether ten interviews were conducted in the case companies, and a few other people were interviewed as well to increase understanding on the phenomenon and the context of sustainable agriculture. In addition to this, secondary data from multiple internal and external sources was used to validate the observations from the interview data. However, the research could have provided deeper insight, if the research period had been longer, and therefore the time period forms one limitation of the study. This will be further discussed later on in this chapter.

The last concept, conformability can be interpreted as linking findings and observations to the data so that also others can understand them (Lincoln and Guba, 1985). Hence, the interpretation of the interviews is another key issue related to the validation of this study. It

should be kept in mind that the interviewees' answers are just their perceptions on reality (Guba and Lincoln, 1994), and hence a caution should remain in interpreting these answers as 'the only truth'. However, as the focus of this research is indeed on the interviewees' perceptions on the strategic nature of the commitments, as well as the commitments' impacts on the sustainability of the supply chain practices, their perceptions are key to this research. Based on these perceptions, the aim of the research has been to achieve deep and rich understanding on the phenomenon.

In this research, some key issues are the selection of the interviewees and researcher's ability to interpret the interviewees' answers. The selection of the interviewees was done to highlight the diversity of voices by selecting people from various positions and levels from both companies. The interviewees consisted of people from CSR, purchasing, grain reception and business, and contract farmers were interviewed as well. The diversity was also highlighted, when presenting the findings by including comments from people from different backgrounds and both organizations as equally as possible. However, it should be noted that the selection of these specific people provides a specific kind of picture consisting of perceptions, and a different construction would have been achieved by a selection of other people. Hence, the findings of this research represent just one possible constructed reality.

Next, the focus of this chapter will move to discuss the main limitations of this study. One of the main limitations of this research is related to the time period of the commitments. The case companies' voluntary environmental commitments were made in 2013 and 2015, and both ended in December 2017. As the commitments have just come to an end, time has not passed enough to see all the impacts of how the commitments have influenced the sustainability of the supply chain practices of the company. However, on the other hand the time period has been too long, as the length of the period causes problems regarding to the reliability of the interviews. Interviewees might have problems remembering, or their perceptions might have changed over time. Hence, it is researcher's responsibility to stay objective and evaluate the reliability of the information.

Another limitation of the study is the people interviewed inside the study sample. The sample size of two case companies provides sufficient amount of information on the commitments and their connection to company's strategy, but more people could have been interviewed from these companies to better acknowledge the diversity of voices and different perceptions. However, as all key people involved in the commitments were interviewed,

increasing the amount of people would probably not have brought much additional value.

Moreover, the sample of this research contains merely regional players, and the focus is on studying the commitments and their impacts on the supply chains in a regional context. Hence, it should be kept in mind that conducting a research, where the supply chain in question contains parties from several countries or is otherwise located in another area might provide totally different understanding on the impacts that the commitments have on the sustainability of the supply chains, as the impacts are highly contextual. For example, a research concentrating on the sustainability of the farming in Southern America might have a bigger focus on social sustainability, as farmers' livelihood and fair wages are a substantive problem in that area, whereas in Finland the profitability of farming from the farmers' point of view is of course discussed, but it does not strike as an alarming issue regarding the sustainability of the supply chains.

The language of the interviews forms the third limitation of the study, as the interviews were committed in Finnish, and hence some misinterpretations in terms of the specific words and theory might occur. All interviewees are native Finnish, but some of the professional language they use on a daily basis is commonly known in English, which might also cause trouble in terms of using the correct professional terms. However, committing the interviews in Finnish ensured a trusting and reliable environment, and hence it was seen as the best alternative. Also, many interviewees provided a possibility to get back to them, if more specific questions would occur, and this helped supplementing the data later on. In addition to this, secondary data was also used confirming and disconfirming the findings from the interviews.

Overall, the research was conducted using good scientific practice and ethical guidelines. Case study approach was chosen as the qualitative approach in this research, and interviews were committed with the interviewees' consent on doing so. Participation to the research was voluntary, and participants had a change to withdraw any moment they liked. Also, informed consent is related to voluntary participation (Eriksson and Kovalainen, 2008:71) and in this study the participants were given basic info on the study and its purposes prior they were required to inform about their participation. In addition to this, interview questions were provided beforehand if so asked by the interviewees. Moreover, anonymity of the interviewees is ensured and the names of the interviewees or the companies are not mentioned publicly in the research.

5. Findings and discussion

The aim of this chapter is to increase understanding on how strategic companies perceive voluntary environmental commitments, as well as discuss how the commitments might have helped in developing farming practices into more sustainable direction. The chapter begins by presenting the cases and the relevant insights found from the data. After the cases have been thoroughly described and compared, the chapter concentrates on unravelling the most significant findings from the data and presenting them with some key examples. In the end, these findings will be analyzed in the light of the previous literature, connecting the individual findings into a part of a bigger theoretical discussion.

5.1. Case descriptions

BSAG is an independent non-profit foundation that works actively to restore the good ecological balance of the Baltic Sea. Baltic Sea Action Group, or officially the Foundation for a Living Baltic Sea, was established by Ilkka Herlin, Saara Kankaanrinta and Anna Kotsalo-Mustonen back in 2008 to bring a new way of thinking into solving the various issues of the Baltic Sea. Based in Finland, the foundation describes itself as a catalyst that pursues to connect the right actors to find solutions for the serious problems related to the Baltic Sea. BSAG does not usually do many projects itself, but rather acts as a matchmaker by bringing different actors from the private sector, public authorities, and politics together. One of the most visible acts of the foundation has been the Baltic Sea Action Summit organized 2010 in Helsinki, which brought the Baltic Sea issues to the highest political agenda. The Summit was organized together with the President of Finland Tarja Halonen and the Prime Minister of Finland Matti Vanhanen, and it attracted a lot of attention in the media. However, most importantly it acted as a stepping ground for a commitment concept, where companies' innovative skills and resources are put to use, as they voluntarily commit to do something in their business that makes a positive impact on the Baltic Sea.

To date, 272 organizations have made a commitment around the whole Baltic Sea region. Some of the commitments have already ended, but many have also been renewed, as other possible problems to fix have occurred. BSAG describes these commitments as 'an act or a process with a positive impact on the Baltic Sea'. Even though many companies have contacted BSAG with a prepared commitment concept in mind, the foundation also operates

proactively by identifying problems and finding relevant organizations to fix them. BSAG is also involved in the commitment process, by helping the companies to define targets, set goals, and plan the commitments. As an active partner, it offers companies valuable knowledge and expertise on the Baltic Sea related issues. Most of the commitments are concentrated around the most severe issues of the Baltic Sea: eutrophication, hazardous substances, the risks of maritime traffic and the loss of biodiversity. Some commitments have also concentrated on helping BSAG by offering them resources, such as premises or website planning, but the most substantial commitments have concentrated on finding solutions to the biggest problems facing the Baltic Sea that meanwhile are also central for the companies' own business.

5.1.1. Case 1: Distillery

The commitment made by Distillery is a good example of such a commitment that concentrates on the activities central to the company. Distillery is a previously government-owned alcoholic beverage brand company that operates in the Nordic countries, Estonia, and Latvia. With net sales of 359 million euros, Distillery is the leader in its market and it employs around 700 people. Its operations are focused around producing, marketing, selling, importing and exporting alcoholic beverages. Distillery strives to be the drinks company that understands consumers, and as consumer expectations towards companies' responsibility are rising, sustainability has also become an integral part of Distillery's business. Distillery's alcoholic beverages are produced from grain spirit distilled from Finnish barley that is bought from 1500 farms located next to the Koskenkorva plant and pure groundwater. Hence, taking care of these key ingredients' quality has always been vital for Distillery. Moreover, corporate social responsibility has been achieving increasing attention at Distillery, and it has been more substantially developed since 2013. Distillery divides its responsibility work into four cornerstones, where the environment is acknowledged in the Distillery & Environment –part. Minimizing its own environmental impact, conducting an environmentally sustainable logistics chain, practicing sustainable agriculture and conserving groundwater form the basis for Distillery's environmental responsibility.

Sustainable agriculture at Distillery is fostered by having regular meetings, fairs, events and other direct contacts with the farmers, as well as using newsletters as an information channel. BSAG commitment has been one example of encouraging farmers to favor sustainable

agriculture practices. The commitment began by BSAG contacting Distillery to make a commitment, and the initial meetings led to Distillery making a commitment around barley and water. The commitment concentrates on promoting sustainable agriculture together with contract farmers and reducing water use in own production. Sustainable agriculture is fostered by encouraging contract farmers to adopt the new greener agriculture practices included in the new EU Common Agricultural Policy, promoting sustainable farming practices in newsletters and events directed to the contract farmers as well as offering contract farmers a tool to support them in maintaining a correct nutrient balance via adding information about the phosphorus and nitrogen levels of barley loads supplied to Distillery into farmer extranet. The commitment's other part focusing around reducing water use is not explained in greater detail, as the focus of this research is more on the sustainable agriculture practices.

Distillery's milestones and progress in BSAG's commitment bank concentrate on reducing the water use, and making the nutrient information available on farmer extranet has been the biggest milestone of the commitment's goals to promote sustainable agriculture. The lack of progress can give reason to interpret that even though Distillery's commitment has been relevant and has goals central to its business, it still has not fostered new practices that would have significantly influenced its current way to work. The quality of the commitment and the actual impacts it has had will be covered in greater detail in next chapters when comparing the commitments and presenting the findings from the interview data.

5.1.2. Case 2: Food

Another good example of a relevant commitment is the other case company, Food. Food is an international family-owned company that offers confectionery, Food, biscuit and grain products, plant-based meals, non-dairy products, and food and café services. With net sales of 1,6 billion euros and 15 000 employees, Food operates in eight countries and exports up to 40 countries. As a company that is highly visible for the consumers, Food faces increasingly pressures to operate more responsibly and take different aspects of responsibility into account in everything it does. At Food, corporate responsibility is formed around five key strategic areas of running business, health and well-being, people, fair value chain and being a part of the environment. Out of these strategic key areas, being part of the

environment can be seen to be the most relevant in terms of enhancing the sustainability of the agriculture practices, and hence the focus will be on that area.

Food lists supporting sustainable farming and preventing loss of biodiversity as one of the goals of its operations in the key area of being a part of the environment. As an operator by the Baltic Sea region, Food has recognized its impact on the marine ecosystems and has started to work towards making a positive impact on the Baltic Sea in the future. This work has been strongly speeded up by the commitment made to BSAG. Food approached BSAG out of its own desire to change things into better direction, and together they worked on the specific goals of Food's commitment. Food's commitment concentrates on developing its operations for the benefit of the ecological balance of the Baltic Sea and it is formed around four key areas. These key areas include improving energy efficiency and use of energy in accordance with creating a vision for responsible grain sourcing, Food Group's energy strategy, creating a responsibility program for Food Mill and developing food services' offering to take environmental considerations into account. The vision for responsible grain sourcing is based on Food's will to minimize the nutrient emissions to water areas caused by the agriculture and enhance their farmers' use of sustainable agriculture practices. The other development areas of the commitment have also been significant, but the focus is here also in the sustainable agriculture and its development through the commitment.

Food's milestones and progress in BSAG's commitment bank show that in terms of creating a vision for responsible grain sourcing Food has proceeded according to the schedule, and ten principles for responsible grain sourcing have been created during the time of the commitment. Overall, Food's commitment seems to have had some impact on enhancing the sustainable agriculture practices already and the commitment has been an integral part in taking the Baltic Sea into account in Food's business. However, the concrete results of the commitment will be seen just later in the future, when the principles are brought into use in farms in all Food's operating areas. Food's commitment will be looked closer into during the following chapters concentrating on the two cases and their main findings.

5.1.3. Case comparison

The commitments made by Distillery and Food bare many similarities, as well as differences. As said earlier, the companies were selected partly for their similarities, as it enables better comparing of the cases and their outcomes. In this case, both companies had

quite a similar profile in terms of the operating area, industry and ingredients used in business operations. Both companies operate at the Baltic Sea region in food and beverage industry and use grain or barley as one of their key ingredients. Hence, collaborating with farmers and working towards reducing eutrophication on the Baltic Sea are central goals for both companies' agriculture business, and overall an integral part of their CSR. Otherwise, even though the profiles bare some similarities, the commitments are surprisingly different.

Starting from the duration, Distillery's commitment lasted around two years, whereas Food started its commitment already back in 2013. Both commitments were put to an end on last December 2017, although both companies consider making a second commitment as well. However, the biggest differences are probably in the nature of the commitments and their impacts. Even though both commitments concentrate on the same target of reducing the detrimental impacts caused by the farming on the Baltic Sea, the means of achieving this target and the actual outcomes of these commitments have been very different, already because the commitments have been perceived differently by the companies. However, going deeper into these perceptions requires also presenting the data in greater detail, and therefore these case comparisons will be further discussed in the next chapter presenting the main findings.

5.2. Findings

Analyzing the data led to the finding of three key themes that describe the interviewees' perceptions on the strategic nature of the commitments, as well as their ability to enhance sustainable practices in supply chains. First, the strategic nature of the commitments is analyzed by focusing on different comments implying the strategic significance of the commitment in the case companies. Secondly, commitment's and BSAG's role in helping to define issues in sustainable agriculture through knowledge sharing and raising internal awareness is unraveled. Thirdly, commitment's impact on enhancing the sustainability of the farming practices is observed by concentrating on the collaboration with different parties. The findings from collaboration with different parties are divided into internal collaboration, as well as collaboration with farmers and industry networks. Next, the findings are gone through, structured into these key areas.

5.2.1. *The strategic significance of the commitment*

One of the main themes covered in the interviews was the strategic significance of the commitment. The answers between different interviewees varied a lot, depending on the company, as well as the interviewees' position inside the company. Some interviewees brought the topic up themselves by describing the significance of the commitment and its strategic importance from the company perspective, whereas others did not see that the commitment had any strategic significance when asked about it.

At Distillery, the broader topic of environmental sustainability in agriculture was clearly recognized as a strategic key area, but the commitment itself has not been seen as that strategic to date.

“This (environmental sustainability) is right in the center of many companies’ strategies nowadays... It is one of the standards that you have to fulfill, or you can’t operate.” – Interviewee A

Moreover, the commitment did not bring many new practices to use, and within the time of the commitment the business has mostly kept on going as usual. Sustainable agriculture practices were seen as important and enhanced in the regular work, but the commitment was mostly seen as CSR practice, instead of a more strategic form of CSR. Distillery's commitment was done merely to make public what was already done or decided to be done for enhancing sustainable agriculture practices.

“Actually, I’d say that we committed doing what we had already considered internally. This brought us the kind of extra pressure that we have made a public commitment. But in that sense, it didn’t bring any new practices to us.” – Interviewee D

Therefore, it can be argued that in order for a commitment to be perceived as strategically significant, it needs to be seen as a way to take things forward and make a change. However, it was also recognized at the Distillery's top management, that if they are to renew their commitment, it will bare more strategic significance than the previous one had.

“I’d say that this current commitment hasn’t been that strategic, and it was made to mainly bring some additional value... But if we will make another commitment, we will find more

strategic point of view on how to utilize it in the whole company and in our communications as well.” – Interviewee D

Hence, it can be argued that if a company wishes to make an impact and chooses to do it by making a voluntary commitment, it has to be seen as strategic and considered at the whole company level in order for it to make any difference. At Food, this kind of approach to the commitment was strongly present, as most interviewees mentioned commitment’s connection to the strategy. The commitment was seen as central to business and its strategic remarkability was highlighted in many comments.

“The commitment is directly linked to Food’s strategy, and from the business strategy to the sourcing strategy... At Food, corporate responsibility isn’t just some separate part, but it is also successfully brought to sourcing strategy and supplier collaboration.”

– Interviewee F

However, even though the commitment was recognized as strategic, some interviewees still pointed out that it has not changed the strategy itself, but just merely acted as a driver on increasing the strategic importance of sustainable agriculture and its connection to the Baltic Sea amongst the key people.

“I don’t think that the commitment itself has changed the contents of our strategy, but it has fostered developing these things. Through the commitment the conversation about sustainability inside the organization has increased, and this has also brought the Baltic Sea into the attention of the people who make the strategy. They have acknowledged the point of view that we have grain and it has a big impact and that consumers are also interested in this.” – Interviewee C

Similar opinion towards the strategic significance of these two commitments was also shared by BSAG, the non-profit behind the commitment concept. According to BSAG, both commitments have been strategic to some extent, but Food’s commitment has been more remarkable for the whole Baltic Sea region.

“We’ve been collaborating with both of them (case companies) for a long time, and this commitment has had a real impact on business strategy. These commitments have acted as drivers that have helped these companies to understand what is required of their business in

the future. The commitments have been similar, but Distillery's has been a bit narrower the way I see it. Distillery is more industrial and not so visible for consumers.” – Interviewee B

BSAG's representative recognized the impact of the consumer pressure, and offered it as an explanation on why the commitment has not resulted in that significant changes at Distillery. Some interviewees from Distillery brought up the topic as well, saying that as Distillery is not directly in contact with consumers, the pressure to think the commitment more strategically is not as strong as it might be with the companies operating closer to end consumers.

“It was just normal practices in the farm, and in the company level it was not strategic... Maybe other companies have paid even more attention into this, as it comes more naturally from the consumers, and their interest and requirements towards sustainability” – Interviewee A

According to an interviewee, using the commitment to communicate consumers about the efforts done towards the sustainability of the supply chain practices would not bring Distillery any additional value, and hence there is no clear link between the commitment and competitive advantage. Therefore, the lack of consumer pressure might have influenced on how strategically significant the commitment was perceived at Distillery. On the other hand, the commitment was clearly recognized to bring competitive advantage at Food. Many interviewees from Food mentioned the commitment as a positive thing helping to meet the consumer expectations, but also strongly pointed out that marketing and publicity were not amongst the reasons for making the commitment.

“The commitment hasn't received that much attention in public yet, and the goal hasn't been to try to green-wash Food. Our reasons for making this commitment are strongly based on real values, and I believe this will be valuable in the future. This is transparent to the consumers, and when the awareness on these issues rises, consumers start to require them and we will be right in the front to lead these things.” – Interviewee G

Therefore, it can be argued that the consumer pressure has an impact on how strategic the commitment is perceived. In addition to the consumer pressure, also company's internal will to develop by making the commitment was recognized as a key factor influencing on how strategically significant the commitment was perceived in a company. This internal will

could be seen for example from the actions of a few key individuals, who felt that there is an issue that the company should actively take part in solving.

At Distillery, as the commitment was initiated by BSAG, the individuals in the company were not the ones actively pushing for development in the context of the commitment. Food, on the other hand, approached BSAG themselves, with a clear internal will to develop and help in preserving the Baltic Sea by making this commitment. This internal will was clearly initiated by a single person, who felt that this was an issue that Food needed to be solving.

“He thought that the Baltic Sea is in such a bad condition, compared to what it was like when he was young. Then he started thinking whether something should be done for this, if he should change employer and start doing something about it. But then he realized that what if it is not something that I will do, but Food as a company could do. He understood that as Food is the biggest baker at the Baltic Sea region, and agriculture has huge impacts on eutrophication of the sea, there must be something that Food can do. So, he talked with the company management and so it started.” – Interviewee C

As can be seen from the comment, a single individual can have a huge impact on the decision over the direction the company decides to pursue. Hence, it can be argued that the key individuals can have a significant role in raising the strategic importance of such an issue, and making sure that the commitment is perceived as strategically significant at the company level.

Strategic significance of the commitments can also be looked from the perspective of the aim to create shared value. This was visible in the interviewees' comments about taking the profitability of farmers' business into account, optimizing the amount of the nutrient inputs as well as companies' responsibility to do their part for the society. Interviewees from both companies increasingly highlighted that sustainable farming practices must be financially sustainable also for the farmers.

“The chain has a win-win-win situation, which means that as there is us and our suppliers and the farmer, one cannot benefit on behalf of someone else, and things should be done together... This is business for us all, and hence it must be sustainable for everyone.” – Interviewee F

Overall, farmers' perspective was seen as a key focus, and it should be taken into account when planning the new practices.

“This wasn’t also just about the Baltic Sea and environment, but also about the financial impacts to the farmers. So, we looked at the responsibility in a wider context and what does it mean for the farmers. What kind of challenges they experience, and why some things that are good for the environment are financially difficult. For example, some investments might not pay back in ten years, and if you’re renting your fields this can be something that suddenly decreases your profitability. Then it’s not meaningful, so why should a farmer invest in it?” – Interviewee C

Therefore, companies have a clear understanding that they cannot afford to require radical changes from farmers, no matter how environmentally sustainable they would be. When new practices are developed and required from the farmers, they cannot include too high investments or otherwise be unprofitable for the farmers' businesses. In addition to this, the optimization of the nutrient inputs rose up in connection with this theme. Interviewees believed that by optimizing the nutrient inputs in a way that would be best for the environment farmers' costs could be reduced as well.

“So, producing big and high-quality yield, making farming profitable and environmentally sustainable farming – how to tie all these elements together.” – Interviewee A

The optimization was seen as a good thing from two perspectives, as it helped farmers to increase their knowledge on sustainable farming practices, often leading to better yields as well. Both companies clearly have a focus on collaboratively helping the farmers to develop their practices into more sustainable direction, and taking care that the business would still be profitable for all parties involved. Therefore, it can be argued that creating environmental and social value was seen as one of the main objectives of the commitment for the companies.

Overall, the responsibility of business practitioners was repeatedly mentioned in the interviews. Many interviewees felt that as big players in the industry, they should be showing an example and make sure that all grain they sell is farmed sustainably, and the detrimental impact of the farming on the environment is minimized.

“Grain is the biggest raw material we use, and farming is one of the most significant things causing nutrient emissions in Finland, and this should be taken into account in business.”

– Interviewee A

Moreover, interviewees from both companies felt that it was also the company’s moral obligation to contribute to the society as a part of the business community and do its part for the natural environment in its business area. This desire to have an impact on the society was visible from interviewees comments highlighting taking care of their operating environment.

“As a grain/ flour buyer we have a direct impact on the grain sourcing in Finland and the whole Baltic Sea region, and we feel that we’re responsible for how its produced, because we’re the one who can communicate to farmers about our wishes.” – Interviewee I

In addition to this, it was also increasingly emphasized that it is not just about the Baltic Sea that needs to be taken into account and preserved, but rather all waterfront areas in Finland.

“I’ve wanted to keep the focus on doing good for the whole Finland, so it’s not just the Baltic Sea.” – Interviewee G

Hence, the commitment has been greatly driven by a will to do good and help to make a change. In many comments, responsibility was also mentioned in connection to meeting consumer expectations or gaining competitive advantage.

“Responsible companies should be able to constantly find ways to reduce detrimental impacts on the environment and we want to be a part of this kind of business, and one of the top companies in terms of sustainable practices in our industry. Consumers appreciate sustainable agriculture, even though it’s a different thing whether this appreciation is visible in the product prices.” – Interviewee I

This describes well the kind of ‘creating shared value’ –thinking, as the focus has been on creating both economic, and social or environmental value. However, this kind of thinking of creating shared value was visible mainly at Food, as the connection between the commitment and achieving competitive advantage was not present at Distillery. The commitment lacked strategic significance, as sustainability of the farming practices have been developed mainly through other channels. Hence, even though Distillery made the

commitment out of the will to create value for the environment, it was not strategically significant from the company perspective.

5.2.2. Commitment as a way to define issues in sustainable agriculture

The following chapter will concentrate on the commitments from the perspective of its ability to help in defining sustainability issues in agriculture, making these complex issues easier to grasp and act upon. Even though it is obvious that internal collaboration as well as collaboration with farmers and other industry partners also help in understanding the sustainability aspects better, they were seen more fit to go through as a separate entity and will not be further discussed in the findings of this chapter. Instead, this chapter will concentrate on shedding light on how the commitment itself has been an efficient way to define goals for development and how BSAG has been able to provide expertise for enhancing sustainability in the supply chain.

It can be argued that one of the biggest benefits of the commitment has been its ability to make broad and complex issues more concrete for people inside the company, and help raising internal awareness on their severity. Sustainable agriculture is a very complex and controversy issue, and clear definitions or practices do not really exist yet. Hence, the role of the commitment as a way for companies to define issues in sustainable agriculture, and moreover emphasize their strategic significance inside the company can be seen as huge merits.

“If you think about the strategic focus, this commitment is very integral and influences a lot of things, and through it also the grain vision and implementing sustainable agriculture practices have become more substantive than before.” – Interviewee I

A great merit of this development has to be given for the initiator of the commitment. BSAG, the non-profit behind the commitment, has been a great help for both companies, pushing them forward from the beginning.

“We didn’t know everything that BSAG does, but they’ve helped us to involve the whole supply chain, especially in the farming side, where grain traders were already on board, so we thought there is nothing to lose at least.” – Interviewee D

Interviewees talked a lot about the support they have received from BSAG. Especially for Food, BSAG's role has been significant, helping them to define relevant goals and identify the right things to concentrate on. For Distillery, BSAG has also brought help, but its role has not been as significant as for Food, as Distillery's expectations and objectives on the commitment were lower in the beginning.

"They've offered insight on the development and how we can have an impact with our own behavior, so this kind of pushing there." – Interviewee F

Overall, many interviewees from both companies mentioned BSAG's expertise and knowledge, and described them as a valuable discussion partner helping to develop things further.

"We feel that we are strongly an operator in the Baltic Sea area, which makes BSAG a natural partner for us... We saw that we can benefit from their expertise here."
– Interviewee D

Moreover, some interviewees also highlighted the critique they have received from BSAG, as BSAG has constantly been pushing them forward by questioning whether they could be doing even more.

"With BSAG, it's not just saying yes and great, but also questioning whether we could be doing more... A good collaboration, but in the sense that they also bring their own point of view and help us further so that the result will also be good and actually advance things."
– Interviewee C

Overall, it can be argued that the commitment has had a significant role in helping companies to recognize the most important issues in the context of the sustainable agriculture, and start defining their goals based on these issues. Companies' understanding on sustainable agriculture, its importance, and the different practices supporting the development has increased during the time of the commitment, and BSAG's role in this development has been integral.

"They have helped us in finding the right information and utilizing it." – Interviewee G

Therefore, it can be argued that the expertise and help provided by the initiator of the commitment has clearly advanced the development work in the companies. In addition to this, the commitment and BSAG's expertise have also helped companies to develop new capabilities. A great example of this is the supply chain practitioners, who are traditionally more familiar with the different quality aspects than the environmental impacts within the supply chains. The commitment has helped these practitioners to gain new knowledge on sustainability issues related to sustainable agriculture.

“People’s knowledge on sustainability has increased, and I’ve learned new things as well... Meanwhile it has also made things more interesting, as typically purchasing has handled the triangle of quality, availability and price. But lately I’ve been drawing a square, sustainability as a fourth element in the picture.” – Interviewee F

Consequently, the commitment has brought a new area of expertise closer into the actual work, and made sustainability a more integral part of supply chain management.

In addition to this, the commitment has acted as a great help in raising internal awareness on the sustainability issues related to agriculture inside the organization. Interviewees from both companies described how the commitment has increased internal awareness inside the company by making things more concrete for people.

“It (commitment) is a really good tool of communications, and for some reason the commitment makes the issue clear and concrete for people.” – Interviewee C

Moreover, seeing the issues as a part of a bigger phenomenon has clearly been helpful for raising internal awareness.

“The commitment has helped to bring these issues into the knowledge of the people and raise conversation. When you can tie these issues into this kind of commitment, it helps in delivering the message as the issues are just not our company’s goals, but a part of a bigger phenomenon.” – Interviewee D

According to many interviewees, the Baltic Sea and sustainable farming have not really been big topics inside the company before the commitment, even though company's operations are closely related to them. Therefore, the commitment has helped in communicating about sustainability and raised discussion on Baltic Sea -related topics inside the company.

“Sustainable farming hasn’t been a big topic previously, but the commitment has definitely given it more attention. Previously it was discussed mainly in connection with the regulation, quality standards and questions from consumers... But this kind of holistic view to develop practices into more sustainable direction has clearly been advanced by the commitment and grain vision.” – Interviewee F

The commitment has made sustainability issues in agriculture internally more familiar, and overall the commitment is recognized inside the company. However, clear differences between different states of awareness exist between people working in different positions in the company. At Distillery, the commitment has been clearly familiar to key people responsible for it, but the people working with the farmers have been less familiar with the changes that the commitment might have caused. The top management has also been aware of the commitment, but it has not been involved in the commitment process since its approval. At Food, on the other hand, the commitment has clearly been more familiar to a bigger group of people. There have been several people from different departments, positions and countries working with the commitment and responsible grain vision, and that alone tells about the remarkability of the commitment for the company. Also, Food’s top management has been on board with the commitment, and the manager of the respective business segment has been tightly involved in the development work.

However, it should be noted that the companies have fairly different organizational structures and resources available to use for this kind of initiatives, which might have an impact on the overall awareness created by the commitment inside the organization. Yet, an interviewee from Distillery recognized that the commitment could still have been used more extensively than it has been. Now, sustainable farming has become more familiar topic inside the company, but not everyone is still aware that such a commitment for enhancing it has been done.

“Talking about sustainable farming has increased during the time of this commitment. I’d say it’s still quite small, but we’ve talked more about the Baltic Sea and our link to it... Of course, we have communicated internally that this kind of a commitment has been made, but it could have been done more as well, and I don’t think that everyone is aware that we have made this commitment.” – Interviewee D

Overall, the increased internal awareness can have a truly positive impact inside the company, as it can empower people and enhance their motivation to work towards these things. At Food, this empowerment has been quite visible even in the concrete level.

“We’ve been able to utilize the commitment internally quite well... One example is from Russia last summer, where we wanted to increase the environmental awareness in Russian bakeries and organized a day at the Baltic Sea coast where we picked up all the trashes from three beaches... And what an effect it had, when after the day everyone was dead tired, but wanted to do this again. Through these kinds of things people talk more about BSAG commitment as well. We’ve been able to create a common theme out of it, and it has been really strong compared to many other internal projects.” – Interviewee C

Consequently, the commitment can be seen as a force encouraging for change inside the organization. However, according to most interviewees the commitment has still merely helped companies to push forward with developing the sustainability of the farming practices, rather than actually created something that otherwise would not exist. A common opinion among the interviewees was that same things would still have been developed without the commitment as well, but the commitment offered them additional help, expertise and a platform to foster the development.

“I think we could have made it to this point without the commitment as well, but BSAG has helped us to find the channels and tables where to have this discussion.” – Interviewee G

The commitment was seen as additional help in defining the goals to enhance the sustainability of the farming practices, but the goals and targets would still need to rise from own business.

“The commitment might act as a driver to define a certain goal, but the goal still rises from the business itself... We’ll do what makes sense for the business, and make sure that the detrimental impacts on the environment meanwhile decrease as well.” – Interviewee D

Therefore, it can be argued that even though similar kind of practices would have been developed without the commitment as well, the end result would have been different, as companies would not have had access to similar knowledge, and on the other hand the development would not have been as concrete as it now was due to the well-defined targets

of the commitment, and the possibilities it has offered for communicating the issues to the whole organization.

5.2.3. Commitment as a platform for collaboration

In the following chapter, the focus is on increasing understanding on the second research question and the ways that voluntary environmental commitments help enhancing sustainable agriculture. This chapter will continue from the main findings of the previous chapter and commitment's ability to help in defining issues in sustainable agriculture. However, the focus of this chapter will be more specifically on the commitment's merit as a platform for collaboration, fostering internal collaboration, as well as collaboration with farmers and industry partners.

The commitment has been a great help for fostering collaboration both internally and externally. In both companies, resources were integrated in the sense that people from different departments worked together, but at Food this collaboration was more substantive. As Food operates in various countries in the Baltic Sea region, the special qualities and requirements of each area have been needed to be taken into account. Hence, countries have collaborated closely together.

“We planned the grain vision together with mills from Finland and Sweden, and thought about what were the relevant goals for both.” – Interviewee I

Moreover, the interviewees from Food describe that the commitment has brought together people from different units, and enhanced collaboration within grain sourcing related issues inside the company, hence leading to better resources and capabilities at use.

“We started developing the goals together with the management from our bakeries, their communications, and then CR from the whole group, the Mill and us from the sourcing, so I've been a part of this since the beginning.” – Interviewee F

Clearly, as a lot of time, effort and resources have been used to foster internal collaboration between different countries and departments, the commitment has been seen as important at Food. Hence, it can be argued that if a company can afford to allocate more resources, like personnel, to achieve the targets of the commitment, it clearly sees the commitment as strategically more significant. Moreover, as internal collaboration has been a central part for

creating the responsible grain vision, it has also fostered developing sustainable practices inside the company. Therefore, the increased internal collaboration can be seen not only as an antecedent of strategic significance, but also a factor enhancing the sustainability of the farming practices.

In addition to this, also the collaboration with industry partners has had its impact on enhancing the sustainability of the farming practices.

“Actually, these things have been developed through collaboration with the Finnish cereal committee during these years... Networking has been a license to live in agriculture, it’s a must. By networking you get to have a conversation with different parties and then you can see how things can be taken forward.” – Interviewee A

Industry networks mentioned in the interviews are for example the Finnish Cereal Committee (VYR) and the Central Union of Agricultural Producers and Forest Owners (MTK), which both companies either belong to, or have had dialogue with. As these networks have been present already before the commitment, the commitment has also created a new network around all parties that have committed into changing their operations to help in preserving the Baltic Sea. The biggest impact of this network has been the public pressure attached to belonging it. Active networks have helped to make sure that things are advanced as planned, and the development work will not get forgotten along the way. Publicity of the commitment was briefly discussed with many interviewees, and some identified it as a thing that has helped them to develop practices further.

“When this kind of commitment is audited on a yearly basis, it also takes care that it isn’t forgotten along the way... Food is being followed and if nothing would happen in this area, the media would eventually start to question whether this is all just empty talk. When making things public, you’re also putting yourself against the wall and you have to start doing. Walk the talk.” – Interviewee G

Even though both companies believed that they would have acted the same way as they now have without the commitment as well, and most interviewees saw the public pressure merely as a driver to push forward, it is safe to say that the external pressure has still had an impact. Therefore, it can be argued that the commitment has provided an excellent platform collaboration, where pressure coming from different external stakeholder networks has been an important driver for developing the practices into more sustainable direction.

However, probably the most significant impact on enhancing the sustainability of the farming practices has been created in the collaboration with the farmers. Overall, the collaboration with farmers has become closer over the years in both companies. Most interviewees highlighted the need to be in good terms and have open discussions with the farmers. Following this need, interviewees from both companies reported that direct contacts to contract farmers have been consciously increased, and nowadays both companies source increasingly from individual contract farmers, whereas the amount bought from grain traders has decreased.

“We did the sourcing collaboration together with the grain traders, but then we went directly to the contract farmers, because creating the quality of the raw material starts there, right from the beginning of the value chain.” – Interviewee A

At Distillery, these things have been enhanced more through continuous development work, than something that has been done specifically during the time of the commitment. At Food, on the other hand, closer collaboration with farmers and other supply chain members has been enhanced increasingly in connection with the commitment.

“One thing that has developed is the direct contacts to farmers, which we have enhanced a lot. So, we have increased the number of contract farmers and the amount bought from these farmers, so then we are also able to communicate directly to the farmers.” – Interviewee I

The closer collaboration fostered by the commitment has been a significant step for the sustainability of the farming practices. Therefore, the commitment can be seen as a platform for collaboration, creating channels where to have discussions on the farming practices and their sustainability.

“One of the benefits (of the commitment) has been that we have been able to deepen the conversation with the millers and flour producers and get their opinions on what is happening... The commitment has perhaps created new channels for taking the whole supply chain aboard and controlling the challenges and opportunities.” – Interviewee F

These channels have also been visible in practice. Even though personal contact and continuous discussions with farmers have been seen as the primary methods to share information, at Food the commitment has also introduced some other ways how companies can acquire more knowledge. Farm visits have acted as a natural way to get more familiar

with farmers' practices, and similar kind of information has been collected in farmer surveys as well. Both of these methods have helped to achieve a better understanding on the situation in the beginning, and provided information on where to start the development work.

“When we started by setting the goals on when different principles should be met, we did a survey to the farmers where we asked for their present situation and how well they are already doing regarding to the principles. Based on that we could then set the goals, so we wouldn't be asking for impossible.” – Interviewee C

In addition to these methods, also pilot farms have been used at Food to acquire knowledge from farmers' perspective and get real-time information on how well the developed responsible grain sourcing criteria is already met. Pilot farms can be seen as a next step, where the developed criteria will be tested.

“We aim to select such pilot farms, where we can actually go through individual procedures and then have better feedback and measurements about things. Like what the actual impacts are and can we reach the targets we have planned... The pilot farms can tell other farmers about the impacts of the sustainable grain vision in practice and tell their opinion from farmer's point of view” – Interviewee I

Also, an existing method of knowledge sharing, farm events, has been enhanced during the time of the commitment, as sustainability has become more prominent topic in the events. Previously it has not been such an important topic, but nowadays it is discussed in almost every event in some way.

“Previously sustainable agriculture has been talked inconsistently. It hasn't been discussed in every event, and farmers don't talk about in general either. But that has changed lately... Sustainable agriculture is nowadays definitely more visible in the events.” – Interviewee J

Even though some of these ways to share knowledge have existed prior to the commitment as well, the clear objectives and development areas of the commitment have helped in fostering the information sharing further. Hence, the commitment can indeed be seen as a great platform, which has encouraged for more result-oriented discussions with a focus on sustainability.

“We've had dialogue with farmers before, but it hasn't been that deep from the sustainability

perspective. With the commitment, we went deeper into what is sustainable agriculture and what does sustainability in this context really mean.” – Interviewee C

These discussions have been one of the greatest accomplishments of the commitment, as it is not the big events, but the small discussions and direct contact with individual farmers that have had the most profound impact on developing farming practices into more sustainable direction. As also BSAG’s representative said, it is about the small things that are done with the farmers.

“Koskenkorva factories are an important actor in their area, and they collaborate even closer with the contract farmers. There we haven’t had such hands on –effect, as it’s more about the small things they do with their contract farmers.” – Interviewee B

Overall, the collaboration has had a focus on learning from the farmers as well. In the beginning of the commitment, their focus was on listening to the farmers, and figuring out the current situation. This helped to get a clear picture on what kind of development can realistically be done.

“When we were developing the criteria, we also needed to think what was possible in practice. Here, the dialogue with suppliers was a good tool to test these ideas.” – Interviewee F

This development has been done together, as things cannot be advanced through just adding new requirements.

“We’ve done this in good spirit, collaborating with the farmers. It’s not sustainable to just demand something that can’t be done, it has to be done through common development. In the end, the farmer is the one to actually do the changes. So, we can’t say that starting tomorrow you have to do like this.” – Interviewee F

Many interviewees highlighted that this communication works both ways, as when companies have started to advice more on sustainable farming practices, they have also needed to pay closer attention to farmers’ wishes. One clear wish has been to have a better image on consumers’ expectations, and therefore companies’ role has also been to help farmers to understand consumers’ needs.

“The most surprising thing for me was our role as intermediary, delivering the message to the farmers... They had a strong wish that we will be able to communicate to the consumers what the farmers are already doing. So, it’s not just us telling about our requirements to the farmers, but also telling them about consumer expectations and what the farmers already do for them.” – Interviewee C

Hence, it can be argued that personal contact and collaboration have had an impact on fostering sustainable farming practices, as they have enabled the companies to have an impact on what individual farmer thinks.

“It is a lot about communications, and how to have an impact on what farmers put on the field.” – Interviewee I

This impact is also one of the biggest merits of the commitment, because farmers are not a united group with alike opinions. The differences between farmers influence on how well the practices can be developed and whether a common direction can be achieved. Farmers’ perceptions on the commitment and taking their impacts on the Baltic Sea into account vary a lot. Some are more positive about the change and want to do their part for the environment, whereas others are opposed to the continuously increasing instructions.

“Well, it’s strongly divided. Some are cursing and others want to do their part. So, let’s say that some are pretty neutral and think in the long run, whereas others are opposed to all innovations.” – Interviewee J

According to some interviewees, farmers’ negative perceptions are to a great extent due to the increasing amount of restrictions.

“Farmers have always had a strong environmental point of view, because it has been their license to live. It’s just when things have become more public, and the number of restrictions has increased... The restrictions are not always the best way to get things forward, it should rather be through possibilities.” – Interviewee A

Based on the previous comments, it can be seen that companies’ representatives have a fairly good perception on farmers’ opinions, and they realize that sustainable farming practices must be developed together by acknowledging that this is business for all. Too high requirements will not work in the long run, and things should be developed together instead.

Most interviewees also recognized that younger farmers are more open minded for change, in general. Hence, things can change quite a lot during the next years, as many said that new generation is starting to take over.

“Especially, the new generation stepping on board, thoughts are a bit different... Overall, environmental issues are important in agriculture, and the awareness rises all the time and farmers are getting younger and they understand better, so I believe that the environmental point of view will only increase in the future.” – Interviewee E

Therefore, it can be argued that the companies acknowledge well how things should be developed and have consciously fostered closer relationships and increased the number of contract farmers to have an impact on an individual farmer. However, it still remains unclear how much of this development has visibility from the farmers point of view.

The sustainable farming practices have been developed together with the farmers, but as both companies have hundreds of contract farmers, all of them have not been that deeply involved in the development process. In addition to this, evaluating the actual impacts of the commitment might be too much to be asked in these time limits, and more time would be needed to see how the collaboration and knowledge acquisition actually influence the sustainability of the farming practices in the long run.

5.2.4. Summary of the findings

This chapter has aimed at presenting the data and the main findings rising from it in a consistent and meaningful manner. The findings provide help in understanding the complex phenomenon of voluntary environmental commitments, and clarify the possible answers for the two research questions presented in the introduction chapter of this thesis. Next, the aim is to shortly increase understanding on the answers of these questions.

1. How strategic are voluntary environmental commitments perceived in companies?
2. Do voluntary environmental commitments influence on the sustainability of companies' supply chain practices? If yes, how?

Firstly, the strategic significance of a voluntary environmental commitment is highly dependent on the situation. However, it can be argued that there are some characteristics or

factors that influence on how strategic companies find voluntary environmental commitments. In this research, different factors indicating that the commitment was seen as strategically significant were the commitment's ability to help in the development process, its connection to company's business and ability to bring competitive advantage as well as help in meeting consumer expectations. In addition to this, the key individuals and their values, and integration of resources were seen to have impact on whether the commitment was perceived as strategically significant or not. Also, the strategic significance constituted partly from the commitment's ability to help in creating shared value.

The second question is even trickier to answer. As was concluded at the end of the second chapter of the findings, practices would still have been developed into more sustainable direction in both companies, even though the commitment would not have existed. Hence, the question is about the difference between the situation, in which the commitment is done and it has led to certain results, and the situation in which it has not been done and certain kind of results can be imagined having followed as a result. Surely, the practices would have been developed into more sustainable direction without the commitment as well, but the commitment has brought the companies new knowledge, expertise, networks and a platform, which helps in making things concrete, communicating about the sustainability of the practices and increasing internal awareness inside the company. Therefore, the commitment has brought companies valuable information and tools to foster the development, and led to results which would not have been achieved without the commitment. Consequently, it can be argued that the commitment has influenced the sustainability of companies' supply chain practices by making the development process faster and more familiar to a bigger amount of people.

As the previous analysis has been fairly long, covering the three main themes and various smaller aspects of the commitments, a summary of the case comparison is categorized in Table 3. below, making clearer the two cases present in this research.

	Distillery	Food
The focus of the commitment*	Promoting sustainable agriculture together with contract farmers	A vision for responsible grain sourcing & enhance the use of sustainable farming practices
Strategic significance of the commitment	Not strategic to date, mostly making public what has been committed to internally.	Central, acted as a driver. Internal will to develop through making the

	Development not tied to the commitment.	commitment, key individuals have impacted this.
Commitment's role in bringing competitive advantage	Company not visible for end consumers, lack of pressure might impact why commitment's ability to help creating competitive advantage not discussed	Commitment seen as central for business and a great help in achieving competitive advantage and meeting consumer expectations
Commitment's role in creating shared value	Taking farmers' livelihood and environment into account, still mainly continuing the old practices. Commitment hasn't brought competitive advantage, hence cannot be seen as creating shared value	Commitment seen as a great help in creating both economic and social/environmental value, hence constitutes for creating shared value
Commitment as a way to define issues in sustainable agriculture	More knowledge and expertise on sustainability issues in the context of agriculture	BSAG's role even more significant, helped to develop goals and push forward, brought new knowledge
Internal awareness on the sustainability issues inside the company	Raising internal awareness on Baltic Sea –issues & sustainable farming, could have been done even more	Raising internal awareness on Baltic Sea –issues & sustainable farming, making things concrete for people and increased motivation
Commitment as a platform for internal collaboration	Only a few key people responsible, has not lead to integration of resources	Fostered a lot of cross-organizational collaboration between different countries and departments, resources integrated
Commitment as a platform for collaboration with partners	Pressure from external stakeholder networks present, but not specifically highlighted	Pressure from external stakeholder networks present, and is recognized as a driver for developing the practices
Commitment as a platform for collaboration with farmers	More continuous development work with fostering closer relationships with farmers, than something done in connection with the commitment. Commitment has not greatly changed the communications with farmers, mostly just grass-roots conversations like before	More direct contacts and closer relationships with farmers, sharing more information (two-way communication increased). Commitment has introduced new ways of collaboration, like farm visits and pilot farms. Still biggest focus on day-to-day communications

*the focus of the commitment is here looked from the agriculture's point of view

Table 3. Summary of the case comparison

5.3. Discussion on the findings

Next, the focus will shift to analyzing the findings in connection with the previous literature, stating the theoretical contributions of this research.

5.3.1. The strategic significance of the commitment

As argued in the findings, the strategic significance of voluntary environmental commitments depends a lot on the situation. A key issue recognized in the findings was company's aim to develop internally by making a commitment, indicating that company values have an impact on the issues a company decides to pursue. The literature on strategic CSR identifies the importance of the company values as well, as according to Maon et al. (2010), in the transforming stage of CSR company has adopted new ethical values that the business is based on. In this research company's internal will to develop was also highly dependent on company's individuals, who pushed the company to make a commitment and get the top management's approval. Also, a research by Ritvala and Salmi (2011) recognizes both company values as well as individual values as motivating factors influencing whether companies will get involved in issue networks. Involvement in issue networks can be seen as parallel to making a public commitment, and hence it can be argued that the findings of this research support these arguments of Ritvala and Salmi (2011).

The importance of the key individuals for company's strategic success is also highlighted by Ramachandran (2011), who sees company's 'sense and respond' and 'execution' capabilities as factors that lead to successful strategic CSR. According to Ramachandran (2011), 'sense and respond' refer to companies', and moreover individuals' ability to clearly identify the social conditions and issues that need to be tackled, and respond to them effectively. In this research, 'sense- and response' capability can be identified at Food, where a few key individuals recognized the state of the Baltic Sea as a substantive issue that can be addressed through Food's business. The acts of these individuals and their values led to Food's will to develop its supply chain practices into more sustainable direction, as the individuals also managed to get the top management on board with the commitment. Hence, the key individuals' impact for strategic significance of commitment as a form of CSR cannot be highlighted enough.

In this research, another important factor affecting how strategically significant a

commitment was found in a company was how central it was seen for the business. The strategic CSR literature mostly sees the kind of CSR strategic that brings a company competitive advantage and helps in meeting the consumer expectations (see e.g. McWilliams and Siegel, 2011). As argued in the findings, if the commitment can offer help in meeting the constantly rising expectations that consumers nowadays have towards the sustainability of company's practices, it is found strategically more significant. Based on this research, the lack of pressure from the consumers might also be one factor affecting the strategic significance of the commitment inside the company, as Distillery is less familiar to end consumers, and it did not find the commitment strategically as significant as Food did. Also, previous research recognizes consumer pressure as a significant motivator for companies' urge to pursue CSR practices (Park and Chidlow, 2014). Consequently, consumer pressure for sustainability can be identified as a factor influencing company's behavior.

Nevertheless, achieving competitive advantage was not the only thing that led companies to perceive these commitments as strategic. In this research, companies' will to create shared value through voluntary environmental commitments was also present. This will was mostly based on making sure that the sustainable supply chain practices will make sense for farmers also financially, as well as companies' responsibility as business practitioners to take care of the business environment by acknowledging their impact on the Baltic Sea. Overall, creating social or environmental value was clearly one of the main reasons, if not the main reason, for companies to make voluntary environmental commitments, as both companies felt concerned over the state of the natural environment close to their business area. Similar reasons for companies to practice CSR are richly available in the previous literature, as companies are increasingly pressured for being active in finding solutions for social problems (Ramachandran, 2011).

However, as mentioned also in the literature review, creating shared value does not mean doing something that is not central for company's business as well. Often the places, where you can really make an impact, are the ones that are closest to company's core business (Porter and Kramer, 2011). In this research, a similar view was also shared by Food, as the interviewees highlighted choosing the commitment to concentrate on based on how central it was for company's business, and moreover where it can really make an impact. Therefore, strategic CSR can be seen as something that is closely related to achieving competitive advantage through creating both economic and social or environmental value (Martinuzzi

and Krumay, 2013). Hence, when commitment is found to be strategically significant, the focus is on company's key areas and finding broader benefits for the whole society by creating shared value.

Consequently, voluntary environmental commitments can be very strategic for companies, leading to CR integration or even CR innovation (Halme and Laurila, 2009). This research points out an example of CR integration, as both companies have a clear focus on increasing the sustainability of their existing operations. However, as the commitments are also seen to foster collaboration with different partners and enhance organizational learning, they offer an excellent platform for developing the company practices even further and aim for the CR innovation.

5.3.2. Commitment as a way to define issues in sustainable agriculture

As a second major finding, the research presented the commitment as a way to define sustainability issues in agriculture. The findings highlight the commitment as a way to enhance organizational learning on sustainability issues, get expert opinions, and deepen collaboration. The knowledge on sustainability issues achieved through different forms of collaboration will be discussed in more detail in the next chapter, as they were seen significant enough to discuss as their own entity. In this chapter, the focus is on the knowledge gained through the commitment, concentrating especially on its initiator, BSAG.

Overall, developing the agriculture practices into more sustainable direction has become easier, as companies' understanding on the whole situation and its impacts on farmers has increased during the time of the commitments. A great deal of this organizational learning stems from BSAG, and its expertise on the context of agriculture and its impacts on the Baltic Sea. The role of different supply chain partners in organizational learning has been highlighted in the SSCM literature for decades (see e.g. Dyer and Singh, 1998; Zhu et al., 2008; Oelze et al., 2016). Moreover, NGO collaboration is often described as having a focus on implementing sustainable policies in supply chains and sharing information to companies (Oelze et al., 2016). Oelze et al. (2016) describe that companies and NGOs working together often have a shared area of interest, where the NGO can provide its expertise. This kind of collaboration was also recognized in this research, as the collaboration between the case companies and the non-profit, BSAG, was concentrated around the issue of reducing

eutrophication by developing the companies' supply chain practices into more sustainable direction. The problem was central to both companies' business, and the area of BSAG's most profound expertise. Therefore, it can be argued that BSAG has had an impact on developing the sustainability of the supply chains.

Based on the findings it can be argued that different stakeholders can have very different roles, as the impact can range from raising awareness to helping in the implementation of the sustainable policies. According to Meixell and Luoma (2015), stakeholder pressure can create awareness on sustainability issues inside the company. This impact was noticeable in both companies, as the commitments had led to increased awareness on sustainability issues in supply chains, as well as discussions on the companies' connection and impact on the Baltic Sea. In addition to this, the whole context of sustainable agriculture was seen more comprehensively inside the companies, and the significance of sustainable practices was easier to understand as a part of a bigger phenomenon of the eutrophication of the Baltic Sea, rather than just companies' individual acts. However, in the other case company, BSAG has had much more profound impact than just raising awareness on sustainability issues inside the company. According to Liu et al. (2018), NGOs can at best help companies to develop specific capabilities or give them additional resources that help in the development work. Similar impact was also noticeable in this research, as the focus on supply chains practitioners' expertise shifted from acknowledging merely price, availability, and quality issues taking the sustainability into closer consideration as well. As practitioners' training is typically more focused on the 'traditional aspects of cost and quality' (Oelze et al., 2016), the commitments have clearly succeeded in increasing the practitioners' expertise on the sustainability issues. Gold et al. (2010) emphasize this kind of understanding on environmental issues as one of the key competencies that practitioners should possess in order to foster sustainability in supply chains.

Based on the article on supplier development for sustainability by Liu et al. (2018), BSAG's role can be categorized as a driver. Its role has been significant especially in the beginning, helping companies to shape targets and develop plans on how to proceed. According to Liu et al. (2018), drivers' role is the most vital in helping to define the preliminary objectives, and hence their activity is usually the biggest in the designing stage of the project. Drivers often focus on specific sustainability issues (Liu et al., 2018), and therefore it is no wonder that BSAG was praised on their expertise and continuous quest for companies to do more

and strive for better. BSAG was seen as an active partner, who often raised critique and questions on whether even bigger steps could be taken, which describes well the role of drivers as bringing pressure on companies (Liu et al., 2018).

Different views for stakeholders' impact on the sustainability of the supply chain practices exist. Meixell and Luoma (2015) claim that the primary stakeholders influence on the actual implementation of sustainability practices, whereas other stakeholders, such as non-profits, merely impact on the public opinion and internal awareness of sustainability issues. An opposing view is presented by Gonzales-Benito and Gonzales-Benito (2006), who argue that non-profits can influence both awareness and implementation of sustainable supply chain practices. This research backs up both arguments, as in the case of Distillery the collaboration with a non-profit led only to increased awareness inside the company, whereas the collaboration between Food and BSAG proves that non-profits can have a significant impact on the actual implementation of sustainable supply chain practices.

However, the research on the supplier development for sustainability is still just starting to gain wider theoretical interest (Liu et al., 2018; Zimmer et al., 2016), and hence understanding on these issues is not fully developed. This research verifies the role of the drivers in supplier development for sustainability, even though it can be concluded that the role of a specific stakeholder, such as BSAG in this case, is highly dependent on the situation and yet again on company's own will to develop. BSAG's collaboration with Distillery was not that insightful and it did not have as deep impacts as the collaboration with Food. Hence, the role of the voluntary environmental commitment as enhancing sustainable supply chain practices might be very different, depending on the nature of the collaboration. It can be argued that in both cases the commitment has acted as a way to define sustainability issues in agriculture, but the impact varies from raising internal awareness to enhancing organizational learning and developing practitioners' expertise on sustainability issues.

5.3.3. Commitment as a platform for collaboration

Continuing from the previous chapter, the commitment has enhanced organizational learning and helped in defining sustainability issues in agriculture also by fostering collaboration with different partners. It can be argued that one of the biggest merits of the commitment has been its ability to act as a platform for collaboration, making the issues and objectives clear for all parties involved. As the previous chapter had a focus on the commitment and NGO's role

in the development, this form of collaboration will not be further discussed in this chapter. Instead, this chapter focuses on analyzing internal collaboration, and collaboration with farmers and industry partners in the light of the previous literature.

When talking about internal collaboration, it should be clearly distinguished from internal awareness discussed in the previous chapter. As internal awareness accounts for the consciousness over the issue in the whole organization, internal collaboration concerns itself more with the integration of resources in the project team. On that note, the commitment has successfully fostered internal collaboration and helped to integrate resources around the development work. Ramachandran (2011) talks about the execution capability of a company, referring to how well resources can be integrated to form an effective project team. In this research, the integration of the resources was more substantive at Food, where people from different departments and countries worked together, and the commitment was seen as a separate project with clear development goals.

Cross-functional teams have also been recognized as one of key competencies enhancing sustainability in supply chains (Gold et al., 2010), and hence it can be argued that if the cross-functional work exists and the commitment is seen as strategically significant, it has a clear connection on enhancing the sustainability of the supply chains as well. Overall, the findings of this research support the theory of dynamic capabilities, and recognize similar capabilities that have led to the commitment being perceived as a strategic form of CSR. Even though ‘sense and respond’ and execution are just an example of the kind of capabilities that companies should develop if they want to achieve strategic CSR success (Ramachandran, 2011), they are well fitted for assessing the strategic significance of a voluntary commitment.

In addition to the internal collaboration, the commitment has also fostered collaboration with the industry networks, which has been a prevailing practice in the companies already before the commitment. Also in the literature, collaboration between different industry partners has been recognized as one of the most important factors enhancing organizational learning, as knowledge on best practices can be shared in these networks (Oelze et al., 2016). However, even though industry collaboration was mentioned in the interviews, its importance was not specifically highlighted in the context of the commitment, but more in connection with its merit as bringing companies public pressure to develop in the area of sustainable agriculture. In the previous literature, the public pressure is mostly discussed in connection with the

stakeholder pressure and companies' responsibility to meet the social and environmental demands (Orlitzky et al., 2011). Overall, being a part of the commitment networks has brought public pressure on companies, and it has been an additional driver for them to push forward and achieve what has been publicly promised. However, it can be argued that the industry networks have not had such a deep impact on the companies' sustainable behavior, as the collaboration with farmers for example has had.

As argued in the findings, the increased collaboration and closer relationships with farmers have been the most significant ways how the commitment has enhanced sustainability of the farming practices. Hence, the importance of supplier collaboration for influencing the sustainability in the supply chain cannot be overstated. The same importance of supplier collaboration in supply chains has also been emphasized in the previous literature on sustainable supply chain management (see e.g. Vachon and Klassen, 2008; Touboulic and Walker, 2015; Liu, 2018). According to Oelze et al. (2016), increased collaboration with suppliers has many benefits, such as better understanding on suppliers' processes, which can lead to mutual learning on best practices. Similar impacts can be noticed in this research as well, as closer relationships with farmers have enabled companies to understand farmers' point of view, and take their expertise and opinions into account when developing the sustainable farming practices. In this process, farmers have also learned about the environmental reasons behind the consumer requirements and hence now perhaps better understand the reasons why companies ask for certain improvements. Therefore, this research shows that communications work both ways, and more collaborative and co-creative process leads to better results compared to setting up minimum requirements and just pressuring the suppliers, as also emphasized in the SSCM literature on collaborative approaches (see e.g. Vachon and Klassen, 2008).

As the commitment has made the development goals more tangible and offered external expertise in the sustainability issues, it can be argued that they have been an integral factor fostering closer relationships and tighter supplier collaboration with the farmers. However, a caution should remain interpreting the quality of the collaboration, as farmers and companies cannot always be seen as equals in this collaboration. Power relations are often present in these kinds of buyer-supplier relationships (Bastl et al., 2013) and hence what might seem like fruitful collaboration in the findings might be more of a pressure on the suppliers in reality. However, as the focus in this research was on the company perspective,

analyzing this collaboration and its social sustainability closer from the farmers' perspective is not in the scope of this research.

Overall, the commitments have increased collaboration and fostered information sharing on sustainability issues in the supply chain context. Similar emphasis on knowledge sharing in the sustainable supply chain context is present also in the previous literature. For example, Beske et al. (2014) highlight the dynamic capabilities of knowledge assessment and sharing, as well as joint development in the co-evolving processes. It is perhaps no surprise that both the literature and this research highlight these kinds of co-creation methods utilizing the capabilities of all partners in the supply chains as the best way to come up with innovative solutions and enhance sustainability. Hence, as the voluntary commitments have been seen as a great platform and driver to foster supplier collaboration, it can be argued that they have a huge impact on fostering sustainable practices in the supply chain.

To conclude, the commitments have perhaps not presented anything out of ordinary, but they have successfully created a platform for collaboration between different parties inside the company as well as with external partners, making the objectives and issues more concrete for all parties involved in the collaboration. Hence, it can be argued the commitments have had a real impact on enhancing organizational learning in the context of the sustainable supply chain practices.

6. Conclusions

In this chapter, the main findings and theoretical contributions of this research are summarized. At the end of the chapter, some remarks for practice and suggestions for future research to concentrate on are also presented.

6.1. Main findings and theoretical contributions

Firstly, it is vital to highlight that based on this research, it is strongly dependent on the situation how strategically significant voluntary environmental commitments are perceived in companies. In this research, the commitment was seen as strategically significant by one case company, where it clearly had an impact on the sourcing and CSR strategies. In the other case company, the issues in sustainable agriculture were found as strategic, but the commitment was not seen as a strategic way to enhance them. Overall, the findings suggest that a commitment is more likely to be perceived as strategically significant, if a company has a strong internal will to develop by making the commitment. This internal will can be created by key individuals' ability to recognize social issues and act upon them in the company. Hence, the values of individuals and their actions reflect on how strategic commitments are perceived in companies, which supports Ramachandran's (2011) view on the importance of the dynamic capabilities of 'sense and response' and 'execution'. The perceptions on the strategic significance of the commitment are also supported by commitment's ability to help in bringing competitive advantage and meeting consumer expectations. If direct consumer pressure does not exist, the commitment might be perceived as less strategically significant in the company.

In this research, the findings on strategic significance of a commitment have been interpreted through seeing these commitments as a form of CSR, and therefore assessing how strategic form of company CSR the commitment has been. The literature on strategic CSR and the framework of creating shared value have provided assistance in interpreting these findings, and overall creating shared value by addressing societal and environmental issues can be seen as one main reason why companies do voluntary environmental commitments. This supports the views of Beschorner and Hajduk (2017), who claim that this shared value creation is the normative, strategic orientation of a company. However, Porter and Kramer (2011) emphasize that activity that is considered as creating shared value, must also include

the competitive advantage aspect from the company perspective. Hence, in this research the commitment could be seen to create shared value only in one case, when it was found to be bringing competitive advantage as well. Overall, strategic significance is also closely related to the second research question on influencing the sustainability of the supply chains. If the commitment is perceived as strategically significant, it will also mean it is considered as more central for business and worth pursuing for, which indicates that it will influence the sustainability of the supply chain practices.

Another central finding concentrates more widely on the commitment and its merits. In this research, the commitment and moreover the role of BSAG were seen as substantive for helping to define issues in sustainable agriculture. At lowest, the commitment helped to increase internal awareness on sustainability issues inside the company by making things more concrete to people. However, it had a more significant impact as well, as the commitment helped supply chain practitioners to develop new capabilities in understanding sustainability in the context of agriculture, and more generally enhanced company's knowledge on sustainability issues. This finding supports the previous literature on the connection between collaboration with NGOs and organizational learning (Oelze et al., 2016), as the collaboration within the commitment has helped companies in implementing sustainable policies into supply chains. Moreover, in this case as well the companies and NGO were working on a shared area of interest. BSAG provided companies with extensive knowledge and expertise on sustainability issues in agriculture, and helped companies to define relevant targets for development.

As a theoretical contribution, the research highlights NGO's role in this development. As previous literature has different views on whether NGO's impact restricts merely to raising internal awareness inside the company (Meixell and Luoma, 2015) or goes as far as helping in the actual implementation of sustainable policies (Liu et al., 2018), the results from this research support both views. If the commitment is found to be strategically significant in the company, NGOs are seen as drivers that help in defining the goals, develop specific capabilities, and push companies forward. On the other hand, if the commitment lacks strategic focus, the NGOs impact can be restricted to only increasing awareness on specific sustainability issues. Therefore, this research suggests that NGO's impact is dependable on the strategic significance of a commitment from the company perspective.

As a last central finding, the commitment's impact as a platform for collaboration was gone

through in the third theme of the main findings. The findings of this research are well aligned with the current literature on the importance of collaboration and organizational learning enhancing sustainability in the supply chains. In this research, the commitment was seen to foster internal collaboration leading to integration of resources, as well as create public pressure to develop the practices into more sustainable direction. When it comes to the collaboration with farmers, increased direct contacts and closer relationships with farmers were seen to enhance organizational learning and influence the sustainability of the supply chain. The research supports the views of Oelze et al. (2016), as collaboration with suppliers enhances organizational learning through mutual learning on best practices, information sharing, and listening to others' point of views. A key point here is the individual contact to farmers, as only then can the farming practices be influenced by personal contact and discussions. Overall, it can be argued that the commitment has succeeded in creating a natural platform to discuss the sustainability issues in agriculture inside the organization, as well as with farmers and other external partners.

All in all, voluntary environmental commitments can be seen as a significant way to better involve companies in saving our planet in the future. Based on this research, these commitments can be seen as drivers, fostering the development of an identified sustainability issue. The same development could be done through other means as well, but as the commitments provide help in defining the relevant sustainability issues and act as a platform for collaboration, they offer companies a fast way to enhance sustainability of supply chains. Meanwhile, the commitment can also be utilized both internally and externally as a tool of communications on the work done towards the sustainability of the supply chains.

6.2. Practical implications

The practical implications of this research are various, as it offers benefits for both businesses and society. First, the research has practical implications from the companies' perspective, as companies should concentrate on making the kind of commitments that they find as strategically significant. This research has provided a rich description on the nature of the commitments, as well as different benefits that these commitments offer. Based on this information, companies can analyze whether a specific development work should be done merely by utilizing internal resources, or whether a voluntary commitment could offer some additional value. In this research, collaboration with partners was seen as fruitful, and therefore if a company wants to address such social or environmental issues that it does not

have enough prior expertise or knowledge about, collaboration with non-profits and making a voluntary commitment can be seen as optimal way to develop new competencies and skills inside the company.

As previously discussed, the complexity of the context of sustainable agriculture poses significant challenges for companies in defining the right solutions. As farmers have an integral role in the development of sustainability of the supply chain, collaboration and information sharing with farmers should be advanced even more. The profitability of the farmers' business should be taken into account as well, and in order to help farmers in developing their practices into more sustainable direction, companies should think different ways to support the farmers, also financially. Bigger investments on new farming methods or devices could be at least partly financed by the companies, and more comprehensive supporting systems and advisory services should be provided to enable a more co-creative approach.

In addition to this, the phenomenon appears even more complex from the consumers' point of view, and the lack of transparency in the sustainability of companies' practices makes it hard for the consumers to reliably assess and compare the sustainability of different companies' practices. Hence, voluntary environmental commitments' role is increasingly important in helping companies to define their actions towards sustainability in supply chains, as well as making their communications about these practices and their actual nature more transparent for consumers.

Finally, the research has practical implications to society, as knowing why companies might perceive voluntary environmental commitments as strategically significant can help also different non-profit parties in planning future commitment concepts and helping the companies in the actual execution. In addition to this, the research helps governments in planning regulation and different voluntary approaches by providing up-to-date information on the commitments from the company perspective. With this information, governments can for example offer monetary compensation for making certain commitments, or otherwise influence on the commitments that companies make.

6.3. Suggestions for future research

This research has concentrated on the strategic significance of the voluntary environmental

commitments from the company perspective, as well as the commitments' ability to influence sustainability of the supply chains. As voluntary environmental commitment is still a rather novel concept, there are plenty of avenues for the future research to continue from. First, as mentioned already in the limitations, the study period remained rather short, which might have led to a situation, where all influences of the voluntary environmental commitments have not yet been visible in practice. Hence, studies concentrating on voluntary environmental commitments for a longer time period would be needed to follow their impacts more thoroughly. In addition to this, studying voluntary environmental commitments in another environment might prove to be fruitful, as this research has concentrated on the commitments' impact on sustainability of the agriculture practices at the Baltic Sea region, and these impacts might be significantly different in another context.

Secondly, this research took a clear focus on collaboration with different partners, mostly concentrating on internal collaboration as well as collaboration with farmers and BSAG. Even though these forms of collaboration were closely looked into, future studies about new practices and different routines born in these forms of collaboration could advance understanding on the strategic nature of the commitments, as well as the actual impacts that the commitments have on very grass-roots level inside the companies. In addition to this, internal collaboration received too little attention in this research, and studying its actual impacts on sustainability of the supply chains would be interesting as well.

Thirdly, the current knowledge on the strategic nature of the voluntary commitments could also be further developed by looking into the motivators behind a commitment inside the company (see e.g. Ritvala and Salmi, 2011) and closer into why companies make such commitments, and what do they wish to achieve as a result. More research on the strategic nature of the voluntary environmental commitments, as well as their actual impacts on enhancing sustainability of the supply chains is needed to further assess these issues in the future. Studying voluntary environmental commitments requires also that different voices are heard in the process, and thus more research concentrating on hearing opinions from people working in different levels of the organization would be desirable.

Finally, as climate change and other environmental issues will only turn into more severe problems in the future, the responsibility cannot be left to the public parties alone, and hence companies should actively participate in tackling these challenges. Therefore, it is important to study what kind of impact voluntary environmental commitments can have in practice,

and whether they can be utilized as a more commonly used tool to develop the various existing practices into more sustainable direction. Overall, can voluntary environmental commitments be as powerful as national or global laws? Can company behavior be directed into desired direction by using voluntary environmental commitments as a tool? Different new approaches for ensuring that companies participate in solving the societal and environmental problems are constantly come up with. Farmers can for example be payed extra for providing additional services, such as increasing biodiversity or resource efficiency (Lähteenoja, 2018). With these kinds of new innovations taking over, the future research should concentrate on understanding the role of voluntary environmental commitments in this changing society.

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APPENDICES

A sample of interview questions (translated freely by the author)

1. Can you tell a little bit about your background?

Environmental sustainability in sourcing

2. How is environmental CSR visible in your practices?
3. How do you understand the term “environmental responsibility” in your sourcing? How is it a part of your strategy? How has it developed?
4. How is the responsibility over environmental CSR divided in your organization? Who are involved? Who is responsible? Who makes the decisions?
5. How is environmental CSR measured in your sourcing/organization?

The commitment

6. Why did you decide to make the commitment to BSAG? Did your sourcing/company strategy influence this decision?
7. How does this commitment differ from your other actions regarding to environmental CSR in sourcing?
8. How was the commitment done in practice? Who were involved? Which departments participated in making the commitment?
9. Which external parties were involved in the commitment? Did the external networks have some impact on the significance of the commitment?
10. Have the practices caused by the commitment somehow shaped your sourcing processes or operating with the farmers? What about sourcing strategy?
11. How was the collaboration done with the farmers? How are the contract farmers organized?
12. What kind of impact has the publicity of the commitment had?
13. What have been the biggest benefits of the commitment?
14. What kind of challenges has the commitment introduced? Were they expectable?
15. What have you learned in the commitment process?
16. Has the commitment been useful to the society in some way?
17. Have you heard about/participated in BSAG’s nutrient cycling business ecosystem?

Connection to strategy

18. Is there a connection between the commitment and your strategy? If so, what kind of connection? Has this changed during the time of the commitment?
19. Has making the commitment somehow changed your view on environmental CSR as a part of your strategy? If so, how?

Future & ending

20. Your commitment is ending soon. How do you plan to continue?
21. Would you like to add/ask something?
22. Other people I should interview related to this matter in your organization?
23. Do you have any internal material I could get an access to?
24. Is it okay to use the name of the company in this research?